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# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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## FORM 8-K

### CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date earliest event reported):

**March 10, 2014**

## VECTOR GROUP LTD.

(Exact Name of Registrant as Specified in Its Charter)

**DELAWARE**

(State or Other Jurisdiction of Incorporation)

**1-5759**

(Commission File Number)

**65-0949535**

(IRS Employer Identification Number)

**4400 Biscayne Boulevard, Miami, Florida**

(Address of Principal Executive Offices)

**33137**

(Zip Code)

Registrant's Telephone Number, Including Area Code: **(305) 579-8000**

**Not Applicable**

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations 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))
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## Item 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers; Compensatory Arrangements of Certain Officers

### (e) Compensatory Arrangements of Certain Officers

#### Stock Ownership Guidelines

In March 2014, Vector Group Ltd. (the "Company") formalized its long-standing practice of significant share ownership by senior management by adopting Stock Ownership Guidelines (the "Guidelines"). The Guidelines are applicable to each executive officer named in the summary compensation table of the Company' proxy statement (a "Named Executive Officer") and each non-employee member of the Board. Under the Guidelines, which are phased in within the later of five years after the adoption of the guidelines or the date that a covered person first obtains a position, the following ownership requirements exist.

<b>Title</b>	<b>Value of Shares Owned</b>		
Chief Executive Officer	3.0	X	Base Salary
Executive Vice Presidents	1.5	X	Base Salary
Other Named Executive Officers	1.0	X	Base Salary
Non-employee directors	2.0	X	Annual Retainer

The valuation of shares includes all shares held beneficially or directly by any covered person or the person's immediate family members or trust but does not include any shares that have been pledged. Compliance is tested on the last day of each quarter.

The foregoing description of the Guidelines is qualified in its entirety by reference to the Guidelines, which are included as Exhibit 10.1 hereto and incorporated herein by reference

#### Executive Compensation Clawback Policy

In March 2014, the Company adopted an Executive Compensation Clawback Policy (the "Policy"), which states as a condition to receiving a bonus and incentive-based compensation from the Company, each Named Executive Officer shall enter into an agreement with the Company providing that any performance-based compensation awarded, paid or payable by the Company or any of its subsidiaries subsequent to the date of adoption of the Policy shall be subject to recovery or "clawback" by the Company. Under the Policy, if the Company's financial results are restated, the result of which is that any performance-based compensation would have been lower had it been calculated based on such restated results, the Performance Subcommittee of the Board of Directors shall review the performance-based compensation received by the Named Executive Officers. If the Subcommittee determines that the performance-based compensation would have been lower and that the executive that received such compensation engaged in fraud, material financial or ethical misconduct or recklessness which contributed to the restatement, then the Subcommittee may seek to recover the after-tax portion of the performance-based compensation. Under the policy, the Subcommittee has the discretion to determine to seek recovery of the performance-based compensation after notice and an opportunity to be heard is provided to the Named Executive Officer.

The foregoing description of the Policy is qualified in its entirety by reference to the Policy, which is included as Exhibit 10.2 hereto and incorporated herein by reference

Vector Group Ltd. 2014 Management Incentive Plan

On March 10, 2014, the Company's Board ratified the Vector Group Ltd. 2014 Management Incentive Plan (the "2014 Plan"), subject to the approval of the 2014 Plan at the Company's 2014 annual stockholders meeting. The 2014 Plan, which has a ten-year term and an available share reserve of 10,000,000 common shares, was adopted by the Compensation Committee on February 26, 2014.

The 2014 Plan permits the Company to grant stock options, stock appreciation rights and restricted stock. The 2014 Plan also provides for cash incentives to be awarded based on a multi-year performance period and for annual short-term cash incentives based on a twelve-month performance period.

In February 2014, the Performance-Based Compensation Subcommittee of the Company's Compensation Committee granted options to Named Executive Officers to purchase 387,500 shares of Common Stock under the 2014 Plan conditioned upon stockholder approval. The exercise price is \$19.34 per share, which was the closing price of the Common Stock on the date of award and is subject to increase under certain circumstances. The options have dividend equivalent rights. If the Company's stockholders do not approve the 2014 Plan, the options will be canceled and the executives who received options in February 2014 have agreed to return any dividends or distributions paid prior to the Company's 2014 Annual Meeting of Stockholders plus interest computed at Citibank N.A.'s prime interest rate.

The foregoing description of the 2014 Plan is qualified in its entirety by reference to the Vector Group Ltd. 2014 Management Incentive Plan, which is included as Exhibit 10.3 hereto and incorporated herein by reference

SIGNATURE

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

VECTOR GROUP LTD.

By: /s/ J. Bryant Kirkland III

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J. Bryant Kirkland III

Vice President, Treasurer & Chief Financial Officer

Date: March 14, 2014

**Item 9.01 Financial Statements and Exhibits**

(d) Exhibits.

<b>Exhibit No.</b>	<b>Description</b>
10.1	Vector Group Ltd. Stock Ownership Guidelines
10.2	Vector Group Ltd. Stock Executive Compensation Clawback Policy
10.3	Vector Group Ltd. Management Incentive Plan

**Vector Group Ltd.**  
**Stock Ownership Guidelines**  
(Adopted as of March 3, 2014)

I. Applicability

These stock ownership guidelines (the “Guidelines”) shall apply to the following persons (note that all persons identified as being subject to these guidelines are hereinafter referred to as the “Covered Persons”):

- a. Certain Corporate Officers. The Named Executive Officers of Vector Group Ltd. (the “Company”) including (but not limited to) the Chief Executive Officer, the Executive Vice President, the Chief Financial Officer, and/or any other Executive Officer of the Company (irrespective of position or title) whose compensation is annually disclosed in the Company’s annual proxy statement.
- b. Board Members. Each non-employee member of the Board of Directors of the Company (each an “Outside Director”)

II. Required Stock Ownership

- a. Each Covered Person is required to own (and to retain ownership thereof during his or her tenure in his or her respective position with the Company) a certain amount of Company common stock. The following securities shall be counted toward satisfaction of these ownership guidelines:
  - i. Unrestricted shares of common stock whether obtained by stock option exercise or open market or private purchase.
  - ii. Restricted shares of common stock granted to the Covered Person in connection with any Company equity incentive plan.
  - iii. Shares of common stock held beneficially by the executive or director through any Employee or Company Stock Ownership Plan.
  - iv. Shares of stock listed in Section II (a) i, ii, or iii above owned by (A) Immediate Family Members of the Covered Person, or (B) a trust, partnership or other entity established for the benefit of the Covered Person and/or one or more Immediate Family Members of the Covered Person.
    1. “Immediate Family Member” means a spouse, parent, child or grandchild of the Covered Person.
    2. The Covered Person shall have an obligation to provide to the Company, upon request, information regarding shares held as described in this Section (II) (a) iv.

- b. With respect to Named Executive Officers, the amount of the Company's common stock required to be owned in conformity with this guideline is based on the fair market value thereof, and the base salary then in effect, as follows:
  - i. Three times base salary for the Chief Executive Officer.
  - ii. One and one-half times base salary for any Executive Vice President.
  - iii. One times base salary for any other Named Executive Officer of the Company consistent with Section I (a) hereof.
- c. With respect to each Outside Director of the Company, the number of shares of Company common stock required to be owned is two times the annual cash retainer fee.
- d. The Guideline level of stock ownership applicable to each Covered Person shall be attained within five years of either the date of adoption of this policy or the date upon which any such Covered Person first attains a position with the Company that requires such Covered Person to comply with this policy, whichever date is later.

### III. Testing Compliance

- a. When testing compliance with the Guidelines on any given date:
  - iii. The then current base salary of the Covered Person, and the higher of (A) the "cost basis" of any purchased or owned shares, or (B) the "fair market value" of any purchased or owned shares (not including unexercised stock options) on that date, shall be used.
  - iv. The closing price of the Company's common stock on the New York Stock Exchange on that date (or on the most recent date on which the New York Stock Exchange was open) shall be considered as the "fair market value" of any shares referenced herein.
  - v. For purposes of testing compliance with the Guidelines, any shares of common stock pledged by the Covered Person shall be excluded from the calculation.
- b. Compliance with the Guidelines shall be tested as of the last day of each calendar quarter. Upon adoption of this policy by the Board of Directors of the Company, compliance shall first be tested for all Covered Persons as of March 31, 2014.
- c. Until termination of service, the Covered Person must at all times retain ownership of the number of shares that the Covered Person is required to own as specified in Section II (b) or Section II (c) hereof (i.e., based upon the Company position then held by such Covered Person) in order to be in compliance with the Guidelines. Subsequent changes

in base salary or common stock price cannot cause a Covered Person who has been in compliance to become out of compliance.

- d. If the Compensation Committee determines that the Guidelines apply to any management-level employee, or any person becomes a member of the Board of Directors, then the first date to test compliance shall be the last day of the calendar quarter in which the Guidelines first become applicable to this Covered Person.

#### IV. Consequences of Non-Compliance

- a. If a Covered Person is not in compliance with the Guidelines, the Board may request that such Covered Person retain 100% of all net shares received under any Company equity compensation plan. For this purpose, “net shares” means all shares remaining after a stock sale by the Covered Person to pay any taxes due with respect to the shares received, and/or to pay the exercise price (in the case of stock options).
- b. The Compensation Committee of the Board may consider the non-compliance of any Covered Person when considering or determining subsequent stock compensation awards (including, but not limited to, stock options or restricted stock) under any equity incentive plan of the Company.

*Any determination, modification, interpretation or other action by the Committee pursuant to this policy shall be made and taken by a vote of a majority of its members. The Committee has the sole authority to construe, interpret and implement this policy, make any determination necessary or advisable in administering this policy, and modify, supplement, rescind or replace all or any portion of this policy.*



**Vector Group Ltd.**  
**Executive Compensation Clawback Policy**  
**(Adopted as of March 3, 2014)**

**I. General**

As a condition to receiving bonus and incentive-based compensation from Vector Group Ltd. (the “Company”) and its subsidiaries, each executive officer named in the summary compensation table of the Company’s proxy statement (a “NEO”) shall enter into an agreement with the Company providing that any performance-based compensation awarded, paid or payable by the Company or any of its subsidiaries subsequent to the date of adoption of this Policy shall be subject to recovery or “clawback” by the Company pursuant to this policy.

**II. Procedure**

- a. In the event of a restatement of the Company’s financial results (other than due to a change in applicable accounting methods, rules or interpretations) the result of which is that any performance-based compensation paid would have been lower had it been calculated based on such restated results, the Compensation Committee of the Board of Directors (the “Committee”) shall review such performance-based compensation.
- b. If the Committee determines that the amount of any such performance-based compensation actually paid or awarded to a NEO (the "Awarded Compensation") would have been a lower amount had it been calculated based on such restated financial statement (the "Actual Compensation"), and that such NEO engaged in fraud, material financial or ethical misconduct or recklessness in the performance of the NEO’s duties, which materially contributed to the need for such restatement, then the Committee shall, except as provided below, seek to recover for the benefit of the Company the after-tax portion of the difference between the Awarded Compensation and the Actual Compensation (such difference, the "Excess Compensation"). In determining the after-tax portion of such Excess Compensation, the Committee shall take into account its good faith estimate of the value of any tax deduction available to the NEO in respect of such repayment.
- c. The Committee shall not seek recovery to the extent it determines (i) that to do so would be unreasonable or (ii) that it would be better for the Company not to do so. In making such determination, the Committee shall take into account such considerations as it deems appropriate, including without limitation (A) the likelihood of success under governing law versus the cost and effort involved, (B) whether the assertion of a claim may prejudice the interests of the Company, including in any related proceeding or investigation, (C) the passage of time since the occurrence of the act in respect of the applicable fraud or intentional illegal conduct and (D) any threatened or pending legal proceeding relating to the applicable fraud or intentional illegal conduct.
- d. Before the Committee determines to seek recovery pursuant to this policy, it shall provide to the applicable NEO prior written notice and the opportunity to be heard, at a meeting of the Committee

(which may be in-person or telephonic, as determined by the Committee) held after a reasonable time period.

- e. If the Committee determines to seek a recovery pursuant to this policy, it shall make a written demand for repayment from the NEO and, if the NEO does not within a reasonable period tender repayment in response to such demand, and the Committee determines that he or she is unlikely to do so, the Committee may initiate legal proceedings against the NEO for such repayment.
- f. For the purposes of this policy the term “performance-based compensation” means all bonuses and other incentive and equity compensation awarded to each of the Company’s NEOs, the amount, payment and/or vesting of which was calculated based wholly or in part on the application of objective, financial performance criteria measured during any part of the period covered by the restatement.

*Any determination, modification, interpretation or other action by the Committee pursuant to this policy shall be made and taken by a vote of a majority of its members. The Committee has the sole authority to construe, interpret and implement this policy, make any determination necessary or advisable in administering this policy, and modify, supplement, rescind or replace all or any portion of this policy.*

**VECTOR GROUP LTD.**  
**2014 MANAGEMENT INCENTIVE PLAN**

1. **Establishment, Purpose and Duration.** Vector Group Ltd. (referred to below as the “Company”) hereby establishes an incentive compensation plan to be known as the 2014 Management Incentive Plan (hereinafter referred to as the “Plan”), as set forth in this document. The Plan permits the grant of Nonqualified Stock Options, Incentive Stock Options, Stock Appreciation Rights, Restricted Shares, Restricted Stock Units, Performance Share Awards, Other Stock-Based Awards and Cash-Based Awards. The Plan was adopted by the Company’s Board on February 26, 2014 (the “Effective Date”), subject to approval by the Company’s stockholders. The purpose of the Plan is to attract and retain Employees, Non-Employee Directors, and Consultants and to provide additional incentives for these persons consistent with the long-term success of the Company’s business. Unless sooner terminated as provided herein, the Plan shall terminate ten (10) years from the Effective Date. After the Plan is terminated, no further Awards may be granted but Awards previously granted shall remain outstanding in accordance with their applicable terms and conditions and the Plan’s terms and conditions.

2. **Definitions.** As used in the Plan, the following terms shall be defined as set forth below:

2.1 “**Act**” means the Securities Exchange Act of the 1934, as amended.

2.2 “**Affiliate**” means any corporation or any other entity (including, but not limited to, a partnership) that is affiliated with the Company through stock ownership or otherwise. For avoidance of doubt, an Affiliate shall include a Subsidiary.

2.3 “**Award**” or “**Awards**” means, individually or collectively, except where referring to a particular category of grant under the Plan, a grant under the Plan of Nonqualified Stock Options, Incentive Stock Options, Stock Appreciation Rights, Restricted Shares, Restricted Stock Units, Performance Share Awards, Cash-Based Awards, or Other Stock-Based Awards, in each case subject to the terms of the Plan.

2.4 “**Award Agreement**” means an agreement, certificate, resolution or other form of writing or other evidence approved by the Committee which sets forth the terms and conditions of an Award. An Award Agreement may be in an electronic medium, may be limited to a notation on the Company’s books and records and, if approved by the Committee, need not be signed by a representative of the Company or a Participant.

2.5 “**Base Price**” means the price to be used as the basis for determining the Spread upon the exercise of a Stock Appreciation Right.

2.6 “**Beneficial Owner**” or “**Beneficial Ownership**” shall have the meaning ascribed to such term in Rule 13d-3 of the General Rules and Regulations under the Act.

2.7 “**Board**” means the Board of Directors of the Company.

2.8 “**Cash-Based Award**” means an Award granted to a Participant as described in Section 11.

2.9 “**Change in Control**” shall have the meaning given to it in Section 13.3.

2.10 “**Code**” means the Internal Revenue Code of 1986, as amended from time to time.

2.11 “**Committee**” means the committee of the Board described in Section 4.

- 2.12 **“Consultant”** means any natural person, including an advisor, engaged by the Company or any Subsidiary to render bona fide services to such entity (other than in connection with the offer or sale of securities in a capital-raising transaction or to promote or maintain a market for the Company’s securities).
- 2.13 **“Company”** means Vector Group Ltd. or its successor.
- 2.14 **“Covered Employee”** shall have the meaning given to it under Section 14.1.
- 2.15 **“Deferred Stock Unit”** means an Award that is vested on the Grant Date and entitles the recipient to receive Shares after a designated period of time. Deferred Stock Units shall be subject to such restrictions and conditions as set forth in the Award Agreement, which shall be consistent with the provisions for Restricted Stock Units set forth in Section 8 below except for the requirement to have a Restricted Period or Performance Goals.
- 2.16 **“Effective Date”** shall have the meaning set forth in Section 1 above.
- 2.17 **“Employee”** means any person designated as an employee of the Company, any of its Affiliates, and/or any of its or their Subsidiaries on the payroll records thereof.
- 2.18 **“Executive Officer”** means an “executive officer” of the Company as defined by Rule 3b-7 under the Act. To the extent that the Board takes action to designate the persons who are the “executive officers” of the Company, the persons so designated (and no others) shall be deemed to be the “executive officers” of the Company for all purposes of the Plan.
- 2.19 **“Family Member”** means a Participant’s spouse, parents, children and grandchildren.
- 2.20 **“Fair Market Value”** means a price that is based on the opening, closing, actual, high, low, or average selling prices of a Share reported on the New York Stock Exchange or other established stock exchange (or exchanges) on the applicable date, the preceding trading day, the next succeeding trading day, an average of trading days or on any other basis consistent with the requirements of the stock rights exemption under Section 409A of the Code using actual transactions involving Shares, as determined by the Committee in its discretion. In the event Shares are not publicly traded at the time a determination of their value is required to be made hereunder, the determination of their Fair Market Value shall be made by the Committee in such manner as it deems appropriate. Such definition(s) of Fair Market Value shall be specified in each Award Agreement and may differ depending on whether Fair Market Value is in reference to the grant, exercise, vesting, settlement, or payout of an Award; provided, however, that upon a broker-assisted exercise of an Option, the Fair Market Value shall be the price at which the Shares are sold by the broker.
- 2.21 **“Grant Date”** means the date specified by the Committee on which a grant of an Award shall become effective, which shall not be earlier than the date on which the Committee takes action with respect thereto.
- 2.22 **“Incentive Stock Option”** means any Option that is intended to qualify as an “incentive stock option” under Section 422 of the Code or any successor provision.
- 2.23 **“Non-Employee Director”** means a member of the Board who is not an Employee.
- 2.24 **“Nonqualified Stock Option”** means an Option that is not intended to qualify as an Incentive Stock Option.
- 2.25 **“Option”** means any option to purchase Shares granted under Section 5.
- 2.26 **“Option Price”** means the purchase price payable upon the exercise of an Option.
- 2.27 **“Other Stock-Based Awards”** means an equity-based or equity-related Award not otherwise described by the terms of this Plan granted under Section 10.

2.28 **“Participant”** means an Employee, Non-Employee Director or a Consultant who is selected by the Committee to receive benefits under the Plan, provided that only Employees shall be eligible to receive grants of Incentive Stock Options.

2.29 **“Performance-Based Awards”** means Restricted Shares, Restricted Stock Units, Performance Share Awards or Cash-Based Awards granted to a Covered Employee that are designated by the Committee as being intended to qualify as “performance-based compensation” under Section 162(m) of the Code.

2.30 **“Performance Cycle”** means one or more periods of time, which may be of varying and overlapping durations, as the Committee may select, over which the attainment of one or more Performance Criteria will be measured for the purpose of determining a grantee’s right to and the payment of a Restricted Share Award, Restricted Stock Unit, Performance Share Award or Cash-Based Award. A Performance Cycle shall not be less than 12 months.

2.31 **“Performance Criteria”** means the criteria that the Committee selects for purposes of establishing the Performance Goal or Performance Goals for a Participant with respect to the Performance Cycle for a Performance-Based Award. The Performance Criteria may be described in terms of Company-wide objectives or objectives that are related to the performance of the individual Covered Employee or an organizational level specified by the Committee, including, but not limited to, a Subsidiary or unit, division, group of the Company or a Subsidiary. Performance Criteria may be measured on an absolute or relative basis, including but not limited to performance as measured against a group of peer companies or by a financial market index.

2.32 **“Performance Goals”** means, with respect to a Restricted Share Award, a Restricted Stock Unit Award, a Performance Share Award or a Cash-Based Award, the specific goal or goals established in writing by the Committee for the Performance Cycle applicable to such Award. Performance Goals with respect to a Performance-Based Award granted to a Covered Employee shall only be based upon one or more Performance Criteria as permitted under Section 14.

2.33 **“Performance Share Award”** means an Award denominated in either Shares or share units granted pursuant to Section 9.

2.34 **“Plan”** shall have the meaning set forth in Section 1 above.

2.35 **“Restricted Period”** means a period of time established under Section 8 with respect to Restricted Stock Units.

2.36 **“Restricted Shares”** means Shares granted under Section 7 subject to a substantial risk of forfeiture.

2.37 **“Restricted Stock Units”** means an Award pursuant to Section 8 of the right to receive Shares at the end of a specified period.

2.38 **“Share Authorization”** means the maximum number of Shares available for grant under the Plan, as described in Section 3.

2.39 **“Shares”** means the common stock of the Company.

2.40 **“Spread”** means, in the case of a Stock Appreciation Right, the amount by which the Fair Market Value on the date when any such right is exercised exceeds the Base Price specified in such right.

2.41 **“Stock Appreciation Right”** means a right granted under Section 6.

2.42 **“Subcommittee”** means the Performance-Based Compensation Subcommittee of the Board of Directors of the Company which shall be composed of at least two directors who are “outside directors” as defined for purposes of section 162(m) of the Code and “non-employee” directors as defined in Rule 16b-3 under the Securities Exchange Act of 1934, as amended.

2.43 “**Subsidiary**” means any corporation or other entity, whether domestic or foreign, in which the Company has or obtains, directly or indirectly, a proprietary interest of more than fifty percent (50%) by reason of stock ownership or otherwise.

2.44 “**Substitute Award**” means any Award granted or issued to a Participant in assumption or substitution of either outstanding awards or the right or obligation to make future awards by an entity acquired by the Company or a Subsidiary or with which the Company or a Subsidiary combines.

2.45 “**Unrestricted Shares**” means a grant of Shares free of any Restricted Period, Performance Goals or any substantial risk of forfeiture. Unrestricted Shares may be granted in respect of past services or other valid consideration, or in lieu of cash compensation due to an Employee.

### **3. Award Limits Under the Plan.**

#### **3.1 Number of Shares Reserved for Awards.**

(a) Subject to adjustments as provided in Section 12, the Share Authorization shall be: 10,000,000 Shares.

(b) No individual Participant may receive in any calendar year equity Awards exceeding 2,000,000 underlying Shares. In addition, during the term of the Plan, no individual Participant may receive equity Awards exceeding one-half of the maximum number of shares of Common Stock in respect of which equity Awards may be granted or paid out under the Plan.

(c) Subject to the limits set forth in Section 3.1(a) on the number of Shares that may be granted in the aggregate under the Plan, a Non-Employee Director may not receive Awards exceeding 25,000 Shares in any calendar year, plus any unused limit from a prior year.

#### **3.2 Share Usage.**

(a) Any Shares related to Awards that terminate by expiration, forfeiture, cancellation, or otherwise without the issuance of such Shares, are settled in cash in lieu of Shares, or are exchanged with the Committee’s permission, prior to the issuance of Shares, for Awards not involving Shares, shall be available again for grant under the Plan. In addition, Restricted Shares that are forfeited shall again be available for grant under the Plan.

(b) The full number of Nonqualified Stock Options, Incentive Stock Options and Stock Appreciation Rights granted that are to be settled by the issuance of Shares shall be counted against the number of Shares available for award under the Plan, regardless of the number of Shares actually issued upon settlement of any such Award.

(c) Any Shares withheld to satisfy tax withholding obligations on an Award issued under the Plan, Shares tendered to pay the exercise price of an Award under the Plan, and Shares repurchased on the open market with the proceeds of an Option exercise will not be eligible to be again available for grant under the Plan.

(d) Substitute Awards shall not be counted against the Shares available for granting Awards under the Plan.

**3.3 Cash-Based Award Limit.** The maximum aggregate amount awarded or credited with respect to a Cash-Based Award to any Covered Employee in any calendar year that is subject to a Performance Cycle that is twelve (12) months or more may not exceed five million dollars (\$5,000,000).

### **4. Plan Administration.**

**4.1 Board Committee Administration.** The Plan shall be administered by the Compensation Committee appointed by the Board from among its members, provided that the full Board may at any time act as the Committee. In the case of Awards intended to be deductible under Section 162(m) of the Code, references in this Plan to the Committee shall mean the Subcommittee, unless the functions of the Subcommittee have been assumed by the Committee. The interpretation and construction by the Committee of any provision of the Plan or of any Award Agreement and any determination by the Committee pursuant to any provision of the Plan or any such agreement, notification or document shall be final and conclusive. No member of the Committee or the Subcommittee shall be liable to any person for any such action taken or determination made in good faith.

4.2 **Terms and Conditions of Awards.** The Committee shall have final discretion, responsibility, and authority to:

- (a) grant Awards;
- (b) determine the Participants to whom and the times at which Awards shall be granted;
- (c) determine the type and number of Awards to be granted, the number of Shares to which an Award may relate, and the applicable terms, conditions, and restrictions, including the length of time for which any restriction shall remain in effect;
- (d) establish and administer Performance Goals and Performance Cycles relating to any Award;
- (e) determine the rights of Participants with respect to an Award upon termination of employment or service as a director;
- (f) determine whether, to what extent, and under what circumstances an Award may be settled, cancelled, forfeited, exchanged, or surrendered;
- (g) accelerate the vesting of an Award;
- (h) interpret the terms and provisions of Award Agreements;
- (i) provide for forfeiture of outstanding Awards and recapture of realized gains and other realized value in such events as determined by the Committee; and
- (j) make all other determinations deemed necessary or advisable for the administration of the Plan.

The Committee may solicit recommendations from the Company's Chief Executive Officer with respect to the grant of Awards under the Plan. The Committee (or, as permitted under Section 4.3, the Company's Chief Executive Officer) shall determine the terms and conditions of each Award at the time of grant. No Participant or any other person shall have any claim to be granted an Award under the Plan at any time, and the Company is not obligated to extend uniform treatment to Participants under the Plan. The terms and conditions of Awards need not be the same with respect to each Participant.

4.3 **Committee Delegation.** The Committee may delegate to the Company's Chief Executive Officer the authority to grant Awards to Participants who are not Non-Employee Directors or Executive Officers and to interpret and administer Awards for such Non-Employee Directors and Executive Officers. Any such delegation shall be subject to the limitations of Section 157(c) of the Delaware General Corporate Law. The Committee may also delegate the authority to grant Awards to any subcommittee(s) consisting of members of the Board.

4.4 **Awards to Non-Employee Directors.** Notwithstanding any other provision of the Plan to the contrary, all Awards to Non-Employee Directors must be authorized by the Board.

4.5 **Employee's Service as Non-Employee Director or Consultant.** An Employee who receives an Award, terminates employment, and immediately thereafter begins performing service as a Non-Employee Director or Consultant shall have such service treated as service as an Employee for purposes of the Award. The previous sentence shall not apply when (a) the Award is an Incentive Stock Option or (b) prohibited by law.

5. **Options.** The Committee may authorize grants to Participants of Options to purchase Shares upon such terms and conditions as the Committee may determine in accordance with the following provisions:

5.1 **Number of Shares.** Each grant shall specify the number of Shares to which it pertains.

5.2 **Option Price.** Each grant shall specify an Option Price per Share, which shall be equal to or greater than the Fair Market Value per Share on the Grant Date, except in the case of Substitute Awards as provided in Section 12. In the event of Awards that are contingent on stockholder approval of the Plan, the Committee shall provide for adjustment to the Option Price or Base Price to ensure that that price is not lower than the closing selling price of a Share reported on the New York Stock Exchange on the date of stockholder approval of the Plan.

5.3 **Consideration.** Each grant shall specify the form of consideration to be paid in satisfaction of the Option Price and the manner of payment of such consideration, which may include in the Committee's sole discretion: (a) cash in the form of currency or check or other cash equivalent acceptable to the Company, (b) non-forfeitable, unrestricted Shares owned by the Participant which have a value at the time of exercise that is equal to the Option Price, (c) a reduction in Shares issuable upon exercise which have a value at the time of exercise that is equal to the Option Price

(a “net exercise”), (d) to the extent permitted by applicable law, the proceeds of sale from a broker-assisted cashless exercise, (e) any other legal consideration that the Committee may deem appropriate on such basis as the Committee may determine in accordance with the Plan or (f) any combination of the foregoing. For the avoidance of doubt, Participants who receive Options to purchase Shares shall have no legal right to own or receive Shares withheld from delivery upon exercise pursuant to Section 5.3(c), and otherwise shall have no rights in respect of such Shares whether as a stockholder or otherwise.

5.4 **Vesting.** Any grant may specify (a) a waiting period or periods before Options shall become exercisable and (b) permissible dates or periods on or during which Options shall be exercisable, and any grant may provide for the earlier exercise of such rights in the event of a termination of employment. Vesting may be further conditioned upon the attainment of Performance Goals established by the Committee.

5.5 **Dividend Equivalents and Other Ownership Rights.** During the period prior to exercise of an Option, the Participant shall not have any right to transfer any rights under the subject Award and shall not have any rights of ownership in the Shares underlying the Option, including the right to vote such Shares, but the Committee may on or after the Grant Date authorize the payment of dividend equivalents on such Shares in cash or securities (including securities of another issuer) on a current, deferred or contingent basis with respect to any or all dividends or other distributions paid by the Company. Unless otherwise provided by the Committee, any dividend equivalents paid or adjustments made with respect to dividends paid in Shares shall be subject to the same restrictions as the underlying Award.

5.6 **Provisions Governing ISOs.** Options granted under the Plan may be Incentive Stock Options, Nonqualified Stock Options or a combination of the foregoing, provided that only Nonqualified Stock Options may be granted to Non-Employee Directors. Each grant shall specify whether (or the extent to which) the Option is an Incentive Stock Option or a Nonqualified Stock Option. Notwithstanding any such designation, to the extent that the aggregate Fair Market Value of the Shares with respect to which Options designated as Incentive Stock Options are exercisable for the first time by a Participant during any calendar year (under all plans of the Company) exceeds \$100,000, such Options shall be treated as Nonqualified Stock Options. Options failing to qualify as Incentive Stock Options for any reason will be treated as Nonqualified Stock Options, rather than being forfeited.

5.7 **Exercise Period.**

(a) Subject to Section 18.9, no Option granted under the Plan may be exercised more than ten years from the Grant Date.

(b) If the Fair Market Value exceeds the Option Price on the last day that an Option may be exercised under an Award Agreement, the affected Participant shall be deemed to have exercised the vested portion of such Option in a net exercise under Section 5.3(c) above without the requirement of any further action.

5.8 **Award Agreement.** Each grant shall be evidenced by an Award Agreement containing such terms and provisions as the Committee may determine consistent with the Plan.

6. **Stock Appreciation Rights.** The Committee may authorize grants to Participants of Stock Appreciation Rights. A Stock Appreciation Right is the right of the Participant to receive from the Company an amount, which shall be determined by the Committee and shall be expressed as a percentage (not exceeding 100 percent) of the Spread at the time of the exercise of such right. Any grant of Stock Appreciation Rights under the Plan shall be upon such terms and conditions as the Committee may determine in accordance with the following provisions:

6.1 **Payment in Cash or Shares.** Any grant may specify that the amount payable upon the exercise of a Stock Appreciation Right will be paid by the Company in cash, Shares or any combination thereof or may grant to the Participant or reserve to the Committee the right to elect among those alternatives.

6.2 **Vesting.** Any grant may specify (a) a waiting period or periods before Stock Appreciation Rights shall become exercisable and (b) permissible dates or periods on or during which Stock Appreciation Rights shall be exercisable, and any grant may provide for the earlier exercise of such rights in the event of a termination of employment. Vesting may be further conditioned upon the attainment of Performance Goals established by the Committee.



6.3 **Exercise Period.** Subject to Section 18.9, no Stock Appreciation Right granted under the Plan may be exercised more than ten years from the Grant Date. If a Spread exists on the last day that a Stock Appreciation Right may be exercised under an Award Agreement, the affected Participant shall be deemed to have exercised the vested portion of such Stock Appreciation Right without the requirement of any further action.

6.4 **Award Agreement.** Each grant shall be evidenced by an Award Agreement containing such terms and provisions as the Committee may determine consistent with the Plan.

7. **Restricted Shares.** The Committee may authorize grants to Participants of Restricted Shares upon such terms and conditions as the Committee may determine in accordance with the following provisions:

7.1 **Transfer of Shares.** Each grant shall constitute an immediate transfer of the ownership of Shares to the Participant in consideration of the performance of services, subject to the substantial risk of forfeiture and restrictions on transfer hereinafter referred to.

7.2 **Consideration.** To the extent permitted by Delaware law, each grant may be made without additional consideration from the Participant or in consideration of a payment by the Participant that is less than the Fair Market Value on the Grant Date.

7.3 **Substantial Risk of Forfeiture.** Each grant shall provide that the Restricted Shares covered thereby shall be subject to a “substantial risk of forfeiture” within the meaning of Section 83 of the Code for a period to be determined by the Committee on the Grant Date, and any grant or sale may provide for the earlier termination of such risk of forfeiture in the event of a termination of employment.

7.4 **Dividend, Voting and Other Ownership Rights.** During the period for which a substantial risk of forfeiture is to continue, the Participant shall not have any right to transfer any rights under the subject Award but the Participant shall have voting and other ownership rights (except for any rights to a liquidating distribution). The Committee may on or after the Grant Date authorize the payment of dividend equivalents on such Restricted Shares in cash or securities (including securities of another issuer) on a current, deferred or contingent basis with respect to any or all dividends or other distributions paid by the Company. Unless otherwise provided by the Committee, any dividend equivalents paid or adjustments made respect to dividends or other distributions paid in Shares shall be subject to the same restrictions as the underlying Award.

7.5 **Performance-Based Restricted Shares.** Any grant or the vesting thereof may be further conditioned upon the attainment of Performance Goals established by the Committee in accordance with the applicable provisions of Section 9 regarding Performance Share Awards and, if any such Award is intended to be a Performance-Based Award, in accordance with the provisions of Section 14.

7.6 **Award Agreement; Certificates.** Each grant shall be evidenced by an Award Agreement containing such terms and provisions as the Committee may determine consistent with the Plan. Unless otherwise directed by the Committee, all certificates representing Restricted Shares, together with a stock power that shall be endorsed in blank by the Participant with respect to such Shares, shall be held in custody by the Company until all restrictions thereon lapse.

8. **Restricted Stock Units.** The Committee may authorize grants of Restricted Stock Units to Participants upon such terms and conditions as the Committee may determine in accordance with the following provisions:

8.1 **Restricted Period.** Each grant shall provide that the Restricted Stock Units covered thereby shall be subject to a Restricted Period, which shall be fixed by the Committee on the Grant Date, and any grant or sale may provide for the earlier termination of such period in the event of a termination of employment.

8.2 **Dividend Equivalents and Other Ownership Rights.** During the Restricted Period, the Participant shall not have any right to transfer any rights under the subject Award and shall not have any rights of ownership in the

Shares underlying the Restricted Stock Units, including the right to vote such Shares, but the Committee may on or after the Grant Date authorize the payment of dividend equivalents on such shares in cash or securities (including securities of another issuer) on a current, deferred or contingent basis with respect to any or all dividends or other distributions paid by the Company. Unless otherwise provided by the Committee, any dividend equivalents paid or adjustments made with respect to dividends paid in Shares shall be subject to the same restrictions as the underlying Award.

**8.3 Performance-Based Restricted Share Units.** Any grant or the vesting thereof may be further conditioned upon the attainment of Performance Goals established by the Committee in accordance with the applicable provisions of Section 9 regarding Performance Share Awards and, if any such Award is intended to be a Performance-Based Award, in accordance with the provisions of Section 14.

**8.4 Award Agreement.** Each grant shall be evidenced by an Award Agreement containing such terms and provisions as the Committee may determine consistent with the Plan.

**9. Performance Share Awards.** The Committee shall determine whether and to whom Performance Share Awards shall be granted and such terms, limitations and conditions as it deems appropriate in its sole discretion in accordance with the following provisions:

**9.1 Number of Performance Share Awards.** Each grant shall specify the number of Shares or share units to which it pertains, which may be subject to adjustment to reflect changes in compensation or other factors.

**9.2 Performance Cycle.** The Performance Cycle with respect to each Performance Share Award shall be determined by the Committee and set forth in the Award Agreement and may be subject to earlier termination in the event of a termination of employment.

**9.3 Performance Goals.** Each grant shall specify the Performance Goals that are to be achieved by the Participant and a formula for determining the amount of any payment to be made if the Performance Goals are achieved.

**9.4 Payment of Performance Share Awards.** Each grant shall specify the time and manner of payment of Performance Share Awards that shall have been earned.

**9.5 Dividend Equivalents and Other Ownership Rights.** Prior to payment of a Performance Share Award, the Participant shall not have any right to transfer any rights under the subject Award and shall not have any rights of ownership in the Shares underlying the Award, including the right to vote such Shares, but the Committee may on or after the Grant Date authorize the payment of dividend equivalents on such Shares in cash or securities (including securities of another issuer) on a current, deferred or contingent basis with respect to any or all dividends or other distributions paid by the Company. Unless otherwise provided by the Committee, any dividend equivalents paid or adjustments made with respect to dividends paid in Shares shall be subject to the same restrictions as the underlying Award.

**9.6 Adjustments.** If the Committee determines after the Performance Goals have been established that a change in the business, operations, corporate structure or capital structure of the Company, or the manner in which it conducts its business, or other events or circumstances render the Performance Goals unsuitable, the Committee shall have sole discretion to modify such Performance Goals, in whole or in part, as the Committee deems appropriate and equitable. The Committee shall also have the right in its sole discretion to increase or decrease the amount payable at a given level of performance to take into account additional factors that the Committee may deem relevant to the assessment of individual or corporate performance for the Performance Cycle. The provisions of this Section 9.6 shall not apply with respect to Performance-Based Awards and any adjustments with respect to such Awards shall be made solely to the extent permitted under Section 14.4.

**9.7 Award Agreement.** Each grant shall be evidenced by an Award Agreement containing such terms and provisions as the Committee may determine consistent with the Plan.

9.8 **Performance-Based Awards.** Notwithstanding anything to the contrary in this Section 9, Performance Share Awards granted to Covered Employees that are intended to be Performance-Based Awards shall only be granted, administered and paid in compliance with all the requirements for Performance-Based Awards set forth in Section 14 below.

10. **Other Equity Awards.** The Committee may grant other types of equity-based or equity-related Awards not otherwise described by the terms of the Plan (including the grant or offer for sale of unrestricted Shares and grant of Deferred Stock Units) in such amounts and subject to such terms and conditions, as the Committee shall determine. Such Awards may involve the transfer of actual Shares to Participants, or payment in cash or otherwise of amounts based on the value of Shares and may include, without limitation, Awards designed to comply with or take advantage of the applicable local laws of jurisdictions other than the United States.

11. **Cash-Based Awards.** The Committee may, in its sole discretion, grant Cash-Based Awards to Executive Officers and key employees in such amounts and upon such terms, and subject to such conditions, as the Committee shall determine at the time of grant. The Committee shall determine the maximum duration of the Cash-Based Award, the amount of cash to which the Cash-Based Award pertains, the conditions upon which the Cash-Based Award shall become vested or payable, and such other provisions as the Committee shall determine. Each Cash-Based Award shall specify a cash-denominated payment amount, formula or payment ranges as determined by the Committee. Payment, if any, with respect to a Cash-Based Award shall be made in accordance with the terms of the Award and shall be made in cash. Notwithstanding anything to the contrary in this Section 11, all Cash-Based Awards that are Performance-Based Awards shall only be granted, administered and paid in compliance with all the requirements for Executive Officer Awards set forth in Section 14 below.

12. **Adjustments.** The Committee shall make or provide for such adjustments in the (a) aggregate and per-person limitations specified in Section 3, (b) number of Shares covered by outstanding Awards, (c) Option Price or Base Price applicable to outstanding Options and Stock Appreciation Rights, and (d) kind of shares available for grant and covered by outstanding Awards (including shares of another issuer), as the Committee in its sole discretion may in good faith determine to be equitably required in order to prevent dilution or enlargement of the rights of Participants that would otherwise result from (x) any stock dividend, stock split, combination or exchange of Shares, recapitalization, extraordinary cash dividend, or other change in the capital structure of the Company, (y) any merger, consolidation, spin-off, spin-out, split-off, split-up, reorganization, partial or complete liquidation or other distribution of assets (other than a normal cash dividend), issuance of rights or warrants to purchase securities, or (z) any other corporate transaction or event having an effect similar to any of the foregoing. However, in the event that such transaction or event results in the distribution to the Company's stockholders of securities of another issuer, the Committee may provide with respect to any Award that includes the right to dividend equivalents that, instead of an adjustment to that Award, that holder of such Award will receive the number of securities of the other issuer that they would have been entitled to if they held the Shares underlying their Award. In addition, in the event of any such transaction or event, the Committee may provide in substitution for any or all outstanding Awards under the Plan such alternative consideration as it may in good faith determine to be equitable under the circumstances and may require in connection therewith the cancellation or surrender of all Awards so replaced. In the case of Substitute Awards, the Committee may make such adjustments, not inconsistent with the terms of the Plan, in the terms of Awards as it shall deem appropriate in order to achieve reasonable comparability or other equitable relationship between the assumed awards and the Awards granted under the Plan as so adjusted.

### 13. **Change in Control.**

13.1 **General Rule.** Except as otherwise provided in an Award Agreement, in the event of a Change in Control, the Committee may, but shall not be obligated to do any one or more of the following, in each case without Participant consent: (a) accelerate, vest or cause the restrictions to lapse with respect to, all or any portion of an Award, (b) cancel Awards for a cash payment equal to their fair value (as determined in the sole discretion of the Committee) which, in the case of Options and Stock Appreciation Rights, shall be deemed to be equal to the excess, if any, of the consideration to be paid in connection with the Change in Control to holders of the same number of Shares subject to such Options or Stock Appreciation Rights (or, if no consideration is paid in any such transaction, the Fair Market Value of the Shares subject to such Options or Stock Appreciation Rights) over the aggregate Option Price (in the case of Options) or Base

Price (in the case of Stock Appreciation Rights), (c) provide for the issuance of replacement awards that will substantially preserve the otherwise applicable terms of any affected Awards previously granted hereunder as determined by the Committee in its sole discretion, (d) terminate Options without providing accelerated vesting or (e) take any other action with respect to the Awards the Committee deems appropriate. For avoidance of doubt, the treatment of Awards upon a Change in Control may vary among Participants and Types of Awards in the Committee's sole discretion.

13.2 **Settlement of Awards Subject to Performance Goals Upon a Change in Control.** Awards subject to satisfying a Performance Goal or Goals shall be settled upon a Change in Control. The settlement amount shall be determined by the Committee in its sole discretion based upon the extent to which the Performance Goals for any such Awards have been achieved after evaluating actual performance from the start of the Performance Cycle until the date of the Change in Control and the level of performance anticipated with respect to such Performance Goals as of the date of the Change in Control.

13.3 **Change in Control** shall mean the earliest to occur of the following events:

(a) Any holder acquires Beneficial Ownership of any securities of the Company which generally entitles the holder thereof to vote for the election of directors of the Company (the "Voting Securities"), which, when added to the Voting Securities then Beneficially Owned by such holder, would result in such holder Beneficially Owning forty percent (40%) or more of the combined voting power of the Company's then outstanding Voting Securities; provided, however, that for purposes of this paragraph (a), a holder shall not be deemed to have made an acquisition of Voting Securities if such holder: (i) acquires Voting Securities as a result of a stock split, stock dividend or other corporate restructuring in which all stockholders of the class of such Voting Securities are treated on a pro rata basis; (ii) acquires the Voting Securities directly from the Company; (iii) becomes the Beneficial Owner of more than the permitted percentage of Voting Securities solely as a result of the acquisition of Voting Securities by the Company, which, by reducing the number of Voting Securities outstanding, increases the proportional number of shares Beneficially Owned by such holder; (iv) is the Company or any corporation or other holder of which a majority of its voting power or its equity securities or equity interest is owned directly or indirectly by the Company (a "Controlled Entity"); or (e) acquires Voting Securities in connection with a "Non-Control Transaction" (as defined in subparagraphs (c)(i)(1)-(3) below); or

(b) The individuals who, as of January 1, 2014 are members of the Board (the "Incumbent Board"), cease for any reason to constitute at least two-thirds of the Incumbent Board, provided, however, that if either the election of any new director or the nomination for election of any new director was approved by a vote of more than two-thirds of the Incumbent Board, such new director shall be considered as a member of the Incumbent Board; provided further, however, that no individual shall be considered a member of the 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 Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board (a "Proxy Contest"), including by reason of any agreement intended to avoid or settle any Election Contest or Proxy Contest; or

(c) Stockholder approval of:

(i) A merger, share exchange, consolidation or reorganization involving the Company (a "Business Combination"), unless:

(1) the stockholders of the Company immediately before the Business Combination, own, directly or indirectly immediately following the Business Combination, at least fifty-one percent (51%) of the combined voting power of the outstanding Voting Securities of the corporation resulting from the Business Combination (the "Surviving Corporation"), and

(2) the individuals who were members of the Incumbent Board immediately prior to the execution of the agreement providing for the Business Combination constitute at least a majority of the members of the Board of Directors of the relevant Surviving Corporation, and

(3) no holder (other than the Company, or any Controlled Entity, a trustee or other fiduciary holding securities under one or more employee benefit plans or arrangements (or any trust forming a part thereof) maintained by the Company, the Surviving Corporation or any Controlled Entity, or any Person who, immediately prior to the Business Combination, had Beneficial Ownership of forty percent (40%) or more of the then outstanding Voting Securities) has Beneficial Ownership of forty percent (40%) or more of the combined voting power of the Surviving Corporation's then outstanding voting securities (a transaction described in these subparagraphs (c)(i)(1)-(3) shall be referred to as a "Non-Control Transaction");

(ii) A complete liquidation or dissolution of the Company; or

(iii) The sale or other disposition of all or substantially all of the assets of the Company to any holder (other than a transfer to a Controlled Entity).

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur solely because forty percent (40%) or more of the then outstanding Voting Securities is Beneficially Owned by (A) a trustee or other fiduciary holding securities under one or more employee benefit plans or arrangements (or any trust forming a part thereof) maintained by the Company or any Controlled Entity or (B) any corporation which, immediately prior to its acquisition of such interest, is owned directly or indirectly by the stockholders of the Company in the same proportion as their ownership of stock in the Company, immediately prior to such acquisition.

#### **14. Requirements for Performance-Based Awards**

**14.1 In General.** Any Executive Officer or other key employee providing services to the Company and/or its Subsidiaries and Affiliates and who is selected by the Committee (hereinafter referred to as a "Covered Employee") may be granted one or more Performance-Based Awards in the form of a Restricted Stock Award, Restricted Stock Units, Performance Share Award, Other Stock-Based Award and/or Cash-Based Award payable upon the attainment of Performance Goals that are established by the Committee and relate to one or more of the Performance Criteria, in each case on a specified date or dates or over any period or periods determined by the Committee, as permitted under this Section 14. For the avoidance of doubt, a Covered Employee may receive as Performance-Based Awards a Cash-Based Award subject to Performance Cycle that is twelve months and a Cash-Based Award subject to a Performance Cycle that is more than twelve months in the same calendar year. The Committee shall define in an objective fashion the manner of calculating the Performance Criteria it selects to use for any Performance Cycle. Depending on the Performance Criteria used to establish such Performance Goals, the Performance Goals may be expressed in terms of overall Company performance or the performance of a division, business unit, or an individual. Each Performance-Based Award shall also comply with the provisions set forth below.

**14.2 Grant Procedure.** With respect to each Performance-Based Award, the Committee shall select, within the first 90 days of a Performance Cycle, the Performance Criteria for such grant and the Performance Goals with respect to each Performance Criterion (including a threshold level of performance below which no amount will become payable with respect to such Award). Each Performance-Based Award will specify the amount payable, or the formula for determining the amount payable, upon achievement of the various applicable performance targets. The Performance Criteria established by the Committee may be (but need not be) different for each Performance Cycle and different Performance Goals may be applicable to Performance-Based Awards to different Covered Employees. The Committee shall designate whether an Award granted to an Executive Officer or key employee is intended to be a Performance-Based Award at the time of grant. Notwithstanding anything to the contrary in the Plan, the Committee shall have no obligation to grant any Award in the form of "performance-based compensation" under Section 162(m) of the Code.

**14.3 Permissible Performance Criteria.** The Committee will establish Performance Criteria for a Performance-Based Award. These criteria may include, but is not limited to, one or a combination of the following financial and non-financial metrics, with respect to the entire Company or a business unit:

##### Financial Metrics:

- net sales or revenue;
- unit sales;

- return measures (including, but not limited to, return on invested capital, assets, net assets, capital, equity and sales);
- gross or net profit margin;
- operating expense ratios;
- operating expense targets;
- productivity ratios;
- operating income or earnings;
- gross or operating margins;
- adjusted earnings before or after taxes, interest, depreciation and/or amortization;
- net earnings or net income (before or after taxes);
- earnings per share;
- cash flow (including, but not limited to, operating cash flow, free cash flow, cash flow return on equity, and cash flow return on investment);
- funds from operations or similar measures, capital expenditures;
- share price (including, but not limited to, growth measures and total stockholder return);
- appreciation in the fair market value or book value of the Shares;
- cash dividends declared per Share;
- stockholder returns, dividends and other distributions;
- economic value added (net operating profit after tax minus the sum of capital multiplied by the cost of the capital);
- debt to equity ratio;
- debt levels;
- budget achievement;
- expense reduction or cost savings; and
- operating margins.

**Non-financial Metrics:**

- quantitative measures of customer satisfaction;
- quantitative measures of employee satisfaction/engagement;
- market share and/or new or expanded market penetration;
- acquisitions, strategic transactions or business expansion;
- product line diversification;
- employee retention/attrition;
- safety;
- productivity improvements; and
- inventory control/efficiency.

**14.4 Permitted Adjustments.** The Committee, in its discretion, may measure performance against Performance Goals under a Performance-Based Award by taking one or more of the following actions: (a) excluding each of following items: (i) any unusual or extraordinary corporate item, transaction or development restructuring and/or other nonrecurring and/or extraordinary charges (as reported in the Company's financial statements for the Performance Cycle), (ii) exchange rate effects, as applicable, for non-U.S. dollar denominated operating earnings, (iii) the effects to any statutory adjustments to corporate tax rates, (iv) the impact of discontinued operations, (v) losses from discontinued operations, (vi) restatements and other unplanned special charges such as acquisitions and acquisition expenses (including, without limitation, expenses relating to goodwill and other intangible assets), (vii) divestitures, (viii) expenses for restructuring, productivity initiatives or new business initiatives, (ix) impairment of tangible or intangible assets, (x) litigation or claim judgments or settlements, (xi) non-operating items, (xii) stock offerings and effects of other financing activities, (xiii) stock repurchases, (xiv) strategic loan loss provisions and (b) not adjusting for changes in accounting principles. Any such action with respect to a Performance-Based Award must be taken by the Committee within the first ninety (90) days applicable to the Performance Cycle or such later time as may be permitted under Section 162(m) of the Code.

**14.5 Certification of Performance Goals and Payment.** Following the completion of a Performance Cycle, the Committee shall meet to review and certify in writing whether, and to what extent, the Performance Goals for the

Performance Cycle have been achieved and, if so, to also calculate and certify in writing the amount of the Performance-Based Awards earned for the Performance Cycle. The Committee shall then determine the actual size of each Covered Employee's Performance-Based Award, and, in doing so with respect to a Cash-Based Award, may reduce or eliminate the amount of such Award if, in its sole judgment, such reduction or elimination is appropriate.

**14.6 Interpretation.** All Performance-Based Awards and the provisions hereunder applicable to such Awards shall be interpreted consistent with the requirements of Section 162(m).

**15. Withholding.**

**15.1 Tax Withholding.** The Company shall have the power and the right to deduct or withhold, or require a Participant to remit to the Company, the minimum statutory amount to satisfy federal, state, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of this Plan prior to making any payments hereunder.

**15.2 Share Withholding.** With respect to withholding required upon the exercise of Options or Stock Appreciation Rights, upon the lapse of restrictions on Restricted Shares and Restricted Stock Units, or upon the achievement of performance goals related to Performance Share Awards, or any other taxable event arising as a result of an Award granted hereunder, Participants may elect, subject to the approval of the Committee, to satisfy the withholding requirement, in whole or in part, by having the Company withhold Shares having a Fair Market Value on the date the tax is to be determined equal to the minimum statutory total tax that could be imposed on the transaction. All such elections shall be irrevocable, made in writing or electronically, and signed or acknowledged electronically by the Participant, and shall be subject to any restrictions or limitations that the Committee, in its sole discretion, deems appropriate.

**16. Certain Terminations of Employment, Hardship and Approved Leaves of Absence.** Notwithstanding any other provision of the Plan to the contrary, in the event of a Participant's termination of employment (including by reason of death, disability or retirement) or in the event of hardship or other special circumstances, the Committee may in its sole discretion take any action that it deems to be equitable under the circumstances or in the best interests of the Company, including, without limitation, waiving or modifying any limitation or requirement with respect to any Award under the Plan. The Committee shall have the discretion to determine whether and to what extent the vesting of Awards shall be tolled during any leave of absence, paid or unpaid; provided however, that in the event of military leave, vesting shall toll during any unpaid portion of such leave, provided that, upon a Participant's returning from military leave (under conditions that would entitle him or her to protection upon such return under the Uniform Services Employment and Reemployment Rights Act), he or she shall be given vesting credit with respect to the Award to the same extent as would have applied had the Participant continued to provide services to the Company throughout the leave on the same terms as he or she was providing services immediately prior to such leave. Any actions taken by the Committee shall be taken consistent with the requirements of Section 409A of the Code and, with respect to Performance-Based Awards, Section 162(m) of the Code.

**17. Authorization of Sub-Plans.** The Committee may from time to time establish one or more sub-plans under the Plan for purposes of satisfying applicable blue sky, securities, and/or tax laws of various jurisdictions. The Committee shall establish such sub-plans by adopting supplements to the Plan containing (a) such limitations as the Committee deems necessary or desirable, and (b) such additional terms and conditions not otherwise inconsistent with the Plan as the Committee shall deem necessary or desirable. All sub-plans adopted by the Committee shall be deemed to be part of the Plan, but each sub-plan shall apply only to Participants within the affected jurisdiction and the Company shall not be required to provide copies of any sub-plans to Participants in any jurisdiction which is not the subject of such sub-plan.

**18. Amendments and Other Matters.**

**18.1 Plan Amendments.** The Board may amend, suspend or terminate the Plan or the Committee's authority to grant Awards under the Plan at any time. Notwithstanding the foregoing, no amendments shall be effective without

approval of the Company's stockholders if (a) stockholder approval of the amendment is then required pursuant to the Code, the rules of the primary stock exchange or stock market on which the Shares are then traded, applicable U.S. state corporate laws or regulations, applicable U.S. federal laws or regulations, and the applicable laws of any foreign country or jurisdiction where Awards are, or shall be, granted under the Plan, or (b) such amendment would (i) modify Section 18.4, (ii) materially increase benefits accruing to Participants, (iii) increase the aggregate number of Shares issued or issuable under the Plan, (iv) increase any limitation set forth on the number of Shares which may be issued or the aggregate value of Awards or the per-person limits under Section 3 except as provided in Section 12, (v) modify the eligibility requirements for Participants in the Plan, or (vi) reduce the minimum Option Price and Base Price as set forth in Sections 5 and 6, respectively. Notwithstanding any other provision of the Plan to the contrary, except as provided in Section 18.8, no termination, suspension or amendment of the Plan may adversely affect any outstanding Award without the consent of the affected Participant.

**18.2 Award Deferrals.** The Committee may permit Participants to elect to defer the issuance of Shares or the settlement of Awards in cash under the Plan pursuant to such rules, procedures or programs as it may establish for purposes of the Plan. However, any Award deferrals which the Committee permits must comply with the provisions of Section 22 and the requirements of Section 409A of the Code.

**18.3 Conditional Awards.** The Committee may condition the grant of any award or combination of Awards under the Plan on the surrender or deferral by the Participant of his or her right to receive a cash bonus or other compensation otherwise payable by the Company or any Affiliate to the Participant, provided that any such grant must comply with the provisions of Section 22 and the requirements of Section 409A of the Code.

**18.4 Repricing.** The terms of outstanding Awards may not be amended to reduce the Option Price of outstanding Options or Base Price of outstanding Stock Appreciation Rights or cancel outstanding Options or Stock Appreciation Rights in exchange for cash, other Awards or Options or Stock Appreciation Rights with an Option Price or Base Price that is less than the Option Price or Base Price of the original Options or Stock Appreciation Rights without stockholder approval, provided that nothing herein shall prevent the Committee from taking any action provided for in Section 12 above.

**18.5 No Employment Rights.** Nothing in the Plan or an Award Agreement shall interfere with or limit in any way the right of the Company, its Affiliates, and/or its Subsidiaries to terminate any Participant's employment or service on the Board or to the Company at any time or for any reason not prohibited by law, nor confer upon any Participant any right to continue his employment or service as a director for any specified period of time. Neither an Award nor any benefits arising under the Plan shall constitute an employment contract with the Company, its Affiliates, and/or its Subsidiaries and, accordingly, subject to Section 18.1, the Plan and the benefits hereunder may be terminated at any time in the sole and exclusive discretion of the Committee without giving rise to any liability on the part of the Company, its Affiliates, and/or its Subsidiaries.

**18.6 Tax Qualification.** To the extent that any provision of the Plan would prevent any Option that was intended to qualify under particular provisions of the Code from so qualifying, such provision of the Plan shall be null and void with respect to such Option, provided that such provision shall remain in effect with respect to other Options, and there shall be no further effect on any provision of the Plan.

**18.7 Leave of Absence or Transfer.** A transfer between the Company and any Affiliate or between Affiliates, or a leave of absence duly authorized by the Company, shall not be deemed to be a termination of employment. Periods of time while on a duly authorized leave of absence shall be disregarded for purposes of determining whether a Participant has satisfied a Restricted Period or Performance Cycle under an Award.

**18.8 Amendments to Comply with Laws, Regulations or Rules.** Notwithstanding any other provision of the Plan or any Award Agreement to the contrary, in its sole and absolute discretion and without the consent of any Participant, the Board may amend the Plan, and the Committee may amend any Award Agreement, to take effect retroactively or otherwise as it deems necessary or advisable for the purpose of conforming the Plan or such Award Agreement to any present or future law, regulation or rule applicable to the Plan, including, but not limited to, Section 409A of the Code.



18.9 **Tolling.** In the event a Participant is prevented from exercising an Option or the Company is unable to settle an Award due to either any trading restrictions applicable to the Company's Shares, the Participant's physical infirmity or administrative error by the Company relied upon and not caused by the Participant, then unless otherwise determined by the Committee, the length of time applicable to any such restriction, condition or event shall toll any exercise period (i) until such restriction lapses, (ii) until the Participant (or his representative) is able to exercise the Award or (iii) until such error is corrected, as applicable.

18.10 **No Duty to Inform Regarding Exercise Rights.** Neither the Company, any Affiliate, the Committee nor the Board shall have any duty to inform a Participant of the pending expiration of the period in which a Stock Appreciation right may be exercised or in which an Option may be exercised.

#### 19. **Issuance of Shares; Fractional Shares.**

19.1 **Form for Issuing Shares; Legends.** Shares may be issued on a certificated or uncertificated basis. Shares may include any legend which the Committee deems appropriate to reflect any restrictions on transfer of such Shares.

19.2 **Delivery of Title.** The Company shall have no obligation to issue or deliver evidence of title for Shares issued under the Plan prior to: (i) obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and (ii) completing any registration or other qualification of the Shares under any applicable national or foreign law or ruling of any governmental body that the Company determines to be necessary or advisable.

19.3 **Inability to Obtain Authority.** The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

19.4 **Investment Representations.** The Committee may require any individual receiving Shares pursuant to an Award under the Plan to represent and warrant in writing that the individual is acquiring the Shares for investment and without any present intention to sell or distribute such Shares,

19.5 **Fractional Shares.** The Company shall not be required to issue any fractional Shares pursuant to the Plan. The Committee may provide for the elimination of fractions or for the settlement thereof in cash.

20. **Limitations Period.** Any person who believes he or she is being denied any benefit or right under the Plan may file a written claim with the Committee. Any claim must be delivered to the Committee within forty-five (45) days of the specific event giving rise to the claim. Untimely claims will not be processed and shall be deemed denied. The Committee, or its designated agent, will notify the Participant of its decision in writing as soon as administratively practicable. Claims not responded to by the Committee in writing within ninety (90) days of the date the written claim is delivered to the Committee shall be deemed denied. The Committee's decision shall be final, conclusive and binding on all persons. No lawsuit relating to the Plan may be filed before a written claim is filed with the Committee and is denied or deemed denied, and any lawsuit must be filed within one year of such denial or deemed denial or be forever barred. The venue for any lawsuit shall be Wilmington, Delaware.

21. **Governing Law.** The validity, construction and effect of the Plan and any Award hereunder will be determined in accordance with the State of Delaware except to the extent governed by applicable federal law.

#### 22. **Compliance with Section 409A.**

22.1 **In General.** The Plan is intended to be administered in a manner consistent with the requirements, where applicable, of Section 409A. For avoidance of doubt, Stock Options and Stock Appreciation Rights are intended to qualify for the stock rights exemptions from Section 409A. Where reasonably possible and practicable, the Plan shall be administered in a manner to avoid the imposition on Participants of immediate tax recognition and additional taxes pursuant to such Section 409A. Notwithstanding the foregoing, neither the Company nor the Committee

shall have any liability to any person in the event Section 409A applies to any such Award in a manner that results in adverse tax consequences for the Participant or any of his or her transferees.

22.2 **Elective Deferrals.** No elective deferrals or re-deferrals other than in regard to Restricted Stock Units are permitted under the Plan.

22.3 **Applicable Requirements.** To the extent any of the Awards granted under the Plan are deemed “deferred compensation” and hence subject to Section 409A, the following rules shall apply to such Awards:

(a) **Mandatory Deferrals.** If the Company decides that the payment of compensation under the Plan shall be deferred within the meaning of Section 409A, then, except as provided under Treas. Reg. Section 1.409A-1(b)(4)(ii), on granting of the Award to which such compensation payment relates, the Company shall specify the date(s) at which such compensation will be paid in the Award Agreement.

(b) **Initial Deferral Elections.** For Awards of RSUs where the Committee provides the opportunity to elect the timing and form of the payment of the underlying Shares at some future time once any requirements have been satisfied, the Participant must make his or her initial deferral election for such Award in accordance with the requirements of Section 409A, i.e., within thirty (30) days of first becoming eligible to receive such award or prior to the start of the year in which the Award is granted to the Participant, in each case pursuant to the requirements of Section 409A and Treas. Reg. Section 1.409A-2.

(c) **Subsequent Deferral Elections.** To the extent the Company or Committee decides to permit compensation subject to Section 409A to be re-deferred pursuant to Treas. Reg. Section 1.409A-2(b), then the following conditions must be met: (i) such election will not take effect until at least 12 months after the date on which it is made; (ii) in the case of an election not related to a payment on account of disability, death or an unforeseeable emergency, the payment with respect to which such election is made must be deferred for a period of not less than five years from the date such payment would otherwise have been paid; and (iii) any election related to a payment at a specified time or pursuant to a fixed schedule (within the meaning of Treas. Reg. Section 1.409A-3(a)(4)) must be made not less than 12 months before the date the payment is scheduled to be paid.

(d) **Timing of Payments.** Payment(s) of compensation that is subject to Section 409A shall only be made upon an event or at a time set forth in Treas. Reg. Section 1.409A-3, i.e., the Participant’s separation from service, the Participant’s becoming disabled, the Participant’s death, at a time or a fixed schedule specified in the Plan or an Award Agreement, a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the assets of the Company, or the occurrence of an unforeseeable emergency.

(e) **Certain Delayed Payments.** Notwithstanding the foregoing, to the extent an amount was intended to be paid such that it would have qualified as a short-term deferral under Section 409A and the applicable regulations, then such payment is or could be delayed if the requirements of Treas. Reg. 1.409A-1(b)(4)(ii) are met.

(f) **Acceleration of Payment.** Any payment made under the Plan to which Section 409A applies may not be accelerated, except in accordance with Treas. Reg. 1.409A-3(j)(4), i.e., upon a Participant’s separation from service, the Participant becoming disabled, the Participant’s death, a change of ownership or effective control, or in the ownership of a substantial portion of the assets, or upon an unforeseeable emergency (all as detailed in Treas. Reg. Section 1.409A-3(a)).

(g) **Payments upon a Change in Control.** Notwithstanding any provision of the Plan to the contrary, to the extent an Award subject to Section 409A shall be deemed to be vested or restrictions lapse, expire or terminate upon the occurrence of a Change in Control and such Change in Control does not constitute a “change in the ownership or effective control” or a “change in the ownership of a substantial portion of the assets” of the Company within the meaning of Section 409A(a)(2)(A)(v), then even though such Award may be deemed to be vested or restrictions lapse, expire or terminate upon the occurrence of the Change in Control or any other provision of the Plan, payment will be made, to the extent necessary to comply with the provisions of Section 409A, to the Participant on the earliest of (i) the Participant’s “separation from service” with the Company (determined in accordance with Section 409A), (ii) the date payment otherwise would have been made pursuant to the regular payment terms of the Award in the absence of any provisions in the Plan to the contrary (provided such date is permissible under Section 409A) or (iii) the Participant’s death.

(h) **Payments to Specified Employees.** Payments due to a Participant who is a “specified employee” within the meaning of Section 409A on account of the Participant’s “separation from service” with the Company (determined in accordance with Section 409A) shall be made on the date that is six months after the date of the Participant’s separation from service or, if earlier, the Participant’s date of death.

**22.4 Deferrals to Preserve Deductibility under Section 162(m).** The Committee may postpone the exercising of Awards, the issuance or delivery of Shares under any Award or any action permitted under the Plan to prevent the Company or any Affiliate from being denied a Federal income tax deduction with respect to any Award other than an ISO as a result of Section 162(m) in accordance with IRS regulations. In such case, payment of such deferred amounts must be made as soon as reasonably practicable following the first date on which the Company and/or Affiliate anticipates or reasonably should anticipate that, if the payment were made on such date, the Company's and/or Subsidiary's deduction with respect to such payment would no longer be restricted due to the application of Section 162(m).

**22.5 Determining "Controlled Group".** In order to determine for purposes of Section 409A whether a Participant or eligible individual is employed by a member of the Company's controlled group of corporations under Section 414(b) of the Code (or by a member of a group of trades or businesses under common control with the Company under Section 414(c) of the Code) and, therefore, whether the Shares that are or have been purchased by or awarded under the Plan to the Participant are shares of "service recipient" stock within the meaning of Section 409A, a Participant or eligible employee of a Subsidiary shall be considered employed by the Company's controlled group (or by a member of a group of trades or businesses under common control with the Company, as applicable). Notwithstanding the above, to the extent that the Company finds that legitimate business criteria exist within the meaning of Treas. Reg. Section 1.409A-1(b)(5)(iii)(E)(1), then, solely for purposes of this Section 22.5, "at least 50 percent" in the definition of "Subsidiary" shall instead be "at least 20 percent".

### **23. Transferability.**

**23.1 Transfer Restrictions.** Except as provided in Sections 23.2 and 23.4, no Award granted under the Plan shall be transferable by a Participant other than upon death by will or the laws of descent and distribution, and Options and Stock Appreciation Rights shall be exercisable during a Participant's lifetime only by the Participant or, in the event of the Participant's legal incapacity, by his guardian or legal representative acting in a fiduciary capacity on behalf of the Participant under state law. Any attempt to transfer an Award in violation of the Plan shall render such Award null and void.

**23.2 Limited Transfer Rights.** The Committee may expressly provide in an Award Agreement that a Participant may transfer such Award (other than an Incentive Stock Option), in whole or in part, to a Family Member, a trust for the exclusive benefit of Family Members, a partnership or other entity in which all the beneficial owners are Family Members, or any other entity affiliated with the Participant that may be approved by the Committee. Subsequent transfers of Awards shall be prohibited except in accordance with this Section 23.2. All terms and conditions of the Award, including provisions relating to the termination of the Participant's employment or service with the Company or a Subsidiary, shall continue to apply following a transfer made in accordance with this Section 23.2.

**23.3 Additional Restrictions on Transfer.** Any Award made under the Plan may provide that all or any part of the Shares that are to be issued or transferred by the Company upon exercise, vesting or settlement shall be subject to further restrictions upon transfer.

**23.4 Domestic Relations Orders.** Notwithstanding the foregoing provisions of this Section 23, any Award made under the Plan may be transferred as necessary to fulfill any domestic relations order as defined in Section 414(p)(1)(B) of the Code.

**24. Forfeiture and Recoupment.** Without limiting in any way the generality of the Committee's power to specify any terms and conditions of an Award consistent with law, and for greater clarity, the Committee may specify in an Award Agreement that the Participant's rights, payments and benefits with respect to an Award, including any payment of Shares received upon exercise or in satisfaction of an Award under the Plan shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions, without limit as to time. Such events shall include, but not be limited to, failure to accept the terms of the Award Agreement, termination of service under certain or all circumstances, violation of material Company policies, misstatement of financial or other material information about the Company, fraud, misconduct, breach of noncompetition, confidentiality, nonsolicitation, noninterference, corporate property protection,

or other agreements that may apply to the Participant, or other conduct by the Participant that the Committee determines is detrimental to the business or reputation of the Company and its Affiliates, including facts and circumstances discovered after termination of service. Awards granted under the Plan shall be subject to any compensation recovery policy or minimum stock holding period requirement as may be adopted or amended by the Company from time to time.

25. **No Constraint on Corporate Action.** Nothing in the Plan shall be construed to: (i) limit, impair, or otherwise affect the Company's or an Affiliate's or a Subsidiary's right or power to make adjustments, reclassifications, reorganizations, or changes of its capital or business structure, or to merge or consolidate, or dissolve, liquidate, sell, or transfer all or any part of its business or assets; or, (ii) limit the right or power of the Company or an Affiliate or a Subsidiary to take any action which such entity deems to be necessary or appropriate.

26. **Effect of Disposition of Operating Unit.** If the Company or any of its Affiliates diminishes or eliminates ownership interests in any operating unit of the Company or any of its Affiliates so that such operating unit ceases to be majority owned by the Company or any of its Affiliates then, with respect to Awards held by Participants who subsequent to such event will not be Employees, the Committee may, to the extent consistent with Section 409A (if applicable), take any of the actions described in Section 13.1 with respect to a Change in Control. If the Committee takes no special action with respect to any disposition of a facility or an operating unit, then the Participant shall be deemed to have terminated his or her employment with the Company and its Subsidiaries and Affiliates and the terms and conditions of the Award Agreement and the other terms and conditions of the Plan shall control.

27. **Indemnification.** Subject to requirements of applicable state law, each individual who is or shall have been a member of the Board, or a Committee appointed by the Board, or an officer of the Company to whom authority was delegated in accordance with Section 3, shall be indemnified and held harmless by the Company against and from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by him in connection with or resulting from any claim, action, suit, or proceeding to which he may be a party or in which he or she may be involved by reason of any action taken or failure to act under the Plan and against and from any and all amounts paid by him in settlement thereof, with the Company's approval, or paid by him in satisfaction of any judgment in any such action, suit, or proceeding against him, provided he shall give the Company an opportunity, at its own expense, to handle and defend the same before he undertakes to handle and defend it on his own behalf, unless such loss, cost, liability, or expense is a result of his own willful misconduct or except as expressly provided by statute. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such individuals may be entitled under the Company's Certificate of Incorporation or by-laws, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

28. **Non-exclusivity of the Plan.** The adoption of the Plan shall not be construed as creating any limitations on the power of the Board or Committee to adopt such other compensation arrangements as it may deem desirable for any Participant.

29. **Miscellaneous.**

29.1 **Gender and Number.** Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine, the plural shall include the singular, and the singular shall include the plural.

29.2 **Severability.** In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and this Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

29.3 **Requirements of Law.** The granting of Awards and the issuance of Shares under this Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

29.4 **Successors.** All obligations of the Company under the Plan with respect to Awards granted hereunder shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or

indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

29.5 **Payment Following a Participant's Death.** Any remaining vested rights or benefits under the Plan upon a Participant's death shall be paid or provided to the Participant's legal spouse or, if no such spouse survives the Participant, to the Participant's estate.

29.6 **Rights as a Stockholder.** Except as otherwise provided herein, a Participant shall have none of the rights of a stockholder with respect to Shares covered by any Award until the Participant becomes the record holder of such Shares.