

Related Person Transaction Policy

The Company recognizes that transactions with Related Persons can present potential or actual conflicts of interest and therefore has adopted this policy which shall be followed in connection with all Related Person Transactions involving the Company.

Any Related Person Transaction shall be entered into or continued only if the Corporate Governance and Nominating Committee (the “Committee”), or any Committee member designated in accordance with this Policy, shall approve or ratify such transaction in accordance with the guidelines set forth in this Policy.

For purposes of this Policy, the following terms have the following meanings:

A “Related Person” means:

1. Any person who, since the beginning of the last fiscal year, is or was an executive officer¹, director, or director nominee of the Company;
2. A shareholder owning of record or beneficially more than five percent of any class of voting securities of the Company;
3. A person who is an immediate family member² of a person listed in 1 or 2 above; or
4. An entity that is owned or controlled by someone listed in 1, 2, or 3 above, or an entity in which someone listed in 1, 2, or 3 above has a substantial ownership interest or control.

A “Related Person Transaction” means any transaction, including, but not limited to, any financial transaction, arrangement or relationship or any series of similar transactions, arrangements or relationships (referred to herein as a “Transaction”), that is currently proposed or has been in effect at any time since the beginning of the Company’s most recent fiscal year in which: (1) the Company or any subsidiary was or is to be a participant, (2) the amount exceeds either \$6,250 in any fiscal

¹ An executive officer is an individual who meets the definition at Exchange Act Rule 16A-1(f).

² An “immediate family member” means any child, stepchild, spouse, parent, stepparent, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, or any person (other than a tenant or an employee) sharing the household of such person.

quarter or \$25,000 in any fiscal year, and (3) a Related Person has or will have a direct or indirect material interest in the Transaction.

Factors to be considered in determining whether a Related Person's interest in a Transaction is material include, but are not limited to, the importance of the interest (financial or otherwise) to the Related Person, the relationship of the Related Person to the Transaction and the dollar amount involved in the transaction.

Examples of Related Person Transactions may include, but may not be limited to:

- legal, investment banking, consulting or management services provided to the Company by a Related Person or a business entity with which the Related Person is affiliated;
- sales, purchases or leases of real or personal property between the Company and a Related Person or a business entity with which a Related Person has an affiliation;
- investments by the Company in a business entity with which a Related Person is affiliated;
- contributions by the Company to civic or charitable organization for which a Related Person serves as an executive officer; or
- indebtedness or guarantees of indebtedness involving the Company and a Related Person or a business entity with which a Related Person is affiliated.

The following are examples of Transactions that are not included within the meaning of Related Person Transaction:

- Transactions available to all employees generally;
- ordinary course of business and travel reimbursements;
- executive officer or director compensation arrangements approved by the Company's Board of Directors or Executive Compensation Committee;
- Transactions in which the Related Person's interest arises solely from the ownership of a class of equity securities of the Company

and all holders of such class received the same benefit or benefits on a *pro rata* basis;

- Transactions in which the Related Person's interest arises only from (a) such person's position as a director of another entity that is a party to the Transaction, or (b) the direct or indirect ownership by such person and all other Related Persons, in the aggregate, of less than ten percent equity interest in another entity (other than a partnership) that is a party to the Transaction; or arises only from both (a) and (b); or
- Transactions in which the Related Person's interest arises only from (a) such person's position as a limited partner in a partnership that is a party to the Transaction and in which the Related person and all other Related Persons, in the aggregate, have an interest of less than ten percent, and (b) the Related Person is not a general partner of and does not hold another position in the partnership.

Reporting Related Person Transactions

Each executive officer, director or director nominee must promptly notify the Company Secretary if such person is aware of any proposed Transaction that constitutes or may constitute a Related Person Transaction. Such notice shall include relevant information, including:

- the Related Person's name;
- the relationship between the Related Person and the Company;
- the Transaction that constitutes or may constitute a Related Person Transaction, including the Related Person's relationship with, or ownership in, any entity that has an interest in the Transaction;
- whether the Company is a party to the Transaction and, if not, the nature of the Company's participation in the Transaction;
- the identities of any other parties to the Transaction;
- the purpose and timing of the transaction; and

- the approximate dollar value of the Transaction and the approximate dollar value of the Related Person's interest in the Transaction.

If the Transaction being reported involves an ongoing relationship or arrangement between a Related Person and another entity (for example, if the Related Person is an officer of or has an ownership interest in an entity that provides services to or otherwise conducts business with the Company), the Related Person is responsible for reporting the relationship only (a) when the Related Person first enters into the relationship or arrangement (or first becomes aware of the relationship or arrangement) and (b) when any material change in the Related Person's interest in the relationship or arrangement occurs or is anticipated. Once such a Transaction has been reported, the Company will monitor the scope and nature of the Company's interest in the ongoing Transaction.

The Company Secretary will provide members of the Committee (or any member of the Committee designated in accordance with this Policy) with a copy of any notice regarding any Related Person Transaction or potential Related Person Transaction along with such other information as the Secretary believes would be useful to the Committee in performing its review of such Transaction, including (a) all known conflicts of interest that may exist or otherwise arise on account of the Related Person Transaction, and (b) the material facts of the proposed Related Person Transaction. If the Company becomes aware of a Related Person Transaction or potential Related Person Transaction through means other than notice from a Related Person, the Company Secretary will provide members of the Committee with the same information as would have been produced in response to notice from the Related Person.

Corporate Governance and Nominating Committee Procedures

1. At each regularly-scheduled Committee meeting, or at any special meeting called for the purpose, the Committee shall review any proposed Related Person Transaction submitted for its consideration by the Secretary in accordance with this Policy and shall approve or disapprove of such Transactions.

2. The Committee may delegate authority to approve Related Person Transactions to one or more members of the Committee (a "Designated Member"). Such Designated Member shall have the authority to approve or ratify any Related Person Transaction submitted to him or her for review by the Company's Corporate Secretary in accordance with this

Policy and shall advise the full Committee of any Related Person Transactions so reviewed at the next regularly scheduled Committee meeting.

3. The Committee (or any Designated Member) shall determine whether to approve a Related Person Transaction after considering the following factors, as and to the extent deemed relevant by the Committee (or Designated Member):

- The extent of the Related Person's interest in the Transaction;
- The availability of comparable products or services from non-Related Persons;
- Whether the Transaction is on terms comparable to those that could be obtained in arms-length dealing with an unrelated third party;
- The nature of the business reasons to enter into the Related Person Transaction;
- Whether the Related Person Transaction could impair the independence of a director;
- Whether the annual amount involved in Transactions exceeds the greater of \$200,000 or 5% of the recipient's gross revenues for the year;
- Whether the Related Person Transaction would present an improper conflict of interest, taking into account: the size of the Transaction; the overall financial position of the executive officer, director or director nominee; the direct or indirect nature of the interest of the executive officer, director or director nominee in the Transaction; the ongoing nature of any proposed relationships; or any other factors the Committee deems relevant.

4. Any member of the Committee who has an interest in the Transaction under consideration will abstain from voting, but may participate in the discussion if invited to do so by the Chair of the Committee.

5. These procedures generally should be used to approve Related Person Transactions in advance of the Transaction being entered into. On occasion, however, it may be necessary or advisable to commence a

Related Person Transaction before the Committee (or any Designated Member) has evaluated it, or a transaction may commence before it is discovered that it involves a Related Person. Accordingly, in such instances, notwithstanding the above, management should consult with the Chair of the Committee to determine the appropriate course of action, which may include subsequent ratification by the Committee (or any Designated Member).

6. After the Committee (or any Designated Member) has approved any Related Person Transactions, if applicable, at subsequent meetings, management shall update the Committee as to any material change to those proposed Transactions or Transactions. Material amendments or modifications to Related Person Transactions previously approved by the Committee (or any Designated Member) shall require the approval or ratification of the Committee (or any Designated Member).

7. The Committee shall also periodically review and assess ongoing relationships with Related Persons to assure compliance with the Committee's guidelines and to ensure that such Related Person Transaction remains fair to the Company.

Disclosure

Related Person Transactions are to be disclosed in the Company's applicable filings as required by the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, and related rules. Any material Related Person Transaction shall be disclosed to the full Board of Directors.

Application of this Policy

The procedures set forth in this Policy supplement, and are not intended to replace or supersede, any other policies and procedures of the Company that require any governing body or officer of the Company to review, approve or both review and approve Company transactions. These procedures also supplement, and are not intended to replace or supersede, any other policies and procedures that may be application to transactions with Related Persons, including the Company's Code of Business Conduct, Corporate Governance Guidelines, and requirements relating to the Company's questionnaires for directors and officers of the Company.