

## POLICY ON RELATED PERSON TRANSACTIONS

This Policy on Related Person Transactions is intended to provide guidance to executive officers and directors of the Company to help them recognize and deal with actual or apparent conflicts of interests. Conflicts may arise when an executive officer or director, or a member of the officer or director's immediate family, has or could have a direct or indirect material interest in a transaction with the Company in which such person participates. This policy ensures that all such transactions are subject to review, approval or ratification in accordance with the procedures set forth below. This policy should be read together with the Code of Business Conduct and Ethics.

### A. Related Person Transactions Defined

For the purposes of this policy, a "Related Person Transaction" is a transaction, arrangement, or relationship, including any indebtedness or guarantees of indebtedness (or any series of similar transactions, arrangements or relationships) in which

- (i) the Company, including any of its subsidiaries or affiliates, was, is or will be a participant;
- (ii) the aggregate amount involved exceeds or may be expected to exceed \$120,000; and
- (iii) any Related Person had, has or will have, a direct or indirect material interest.

A "Related Person" means:

- 1. any person who is, or at any time since the beginning of the Company's last fiscal year was, an executive officer, director, or nominee to become a director of the Company;
- 2. any person who is known to be the beneficial owner of more than 5% of any class of the Company's voting securities;
- 3. any immediate family member of any of the persons described above, which means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law and any person (other than a tenant or employee) sharing the household of such person; and
- 4. any firm, corporation, or other entity in which any of the foregoing persons is employed or is a partner or principal or in a similar position or in which such person has a 5% or greater beneficial ownership interest.

## **B. Approval Procedures**

Any Related Person Transaction that is identified as such prior to the consummation thereof or amendment thereto shall be consummated or amended only if the following steps are taken:

1. Prior to entering into the Related Person Transaction, the Related Person, or the business person responsible for the potential Related Person Transaction, shall provide notice to the General Counsel or, in lieu of the General Counsel, the Chief Financial Officer and such person shall refer such matters to the Chair of the Audit of the facts and circumstances of the proposed Related Person Transaction, including: (i) the Related Person's relationship to the Company and interest in the transaction; (ii) the material facts of the proposed Related Person Transaction, including the proposed aggregate value of the transaction or, in the case of indebtedness, the amount of principal that would be involved; (iii) the purpose of and benefits to the Company of the proposed Related Person Transaction; (iv) if applicable, the availability of other sources of comparable products or services; and (v) an assessment of whether the proposed Related Person Transaction is on terms that are no less favorable to the Company than terms that could have been reached with an unrelated third party generally. The Chair of the Audit will assess whether the proposed transaction is a Related Person Transaction that requires approval under this policy.
2. If the Chief Financial Officer or Chief Executive Officer determines that the proposed transaction is a Related Person Transaction that requires approval, the proposed Related Person Transaction shall be submitted for consideration and approval as follows:
  - a. to the Board of Directors if the Related Person Transaction is directly related or integral to a transaction for which Board approval will be obtained;
  - b. to the Audit Committee for all other Related Person Transactions for consideration at its next Committee meeting; or
  - c. in those instances in which the Chair of the Audit Committee, in consultation with the Chief Executive Officer, determines that it is not practicable or desirable for the Company to wait until the next Audit Committee meeting, to the Chair of the Audit Committee.
3. In determining whether to approve a Related Person Transaction, the Board of Directors, Audit Committee, or the Chair of the Audit Committee, as applicable, shall consider all the relevant facts and circumstances available that it deems appropriate, including (if applicable) but not limited to:

- a. whether the transaction was undertaken in the ordinary course of business of the Company;
- b. whether the transaction with the Related Person is proposed to be, or was entered into, on terms no less favorable to the Company than terms that could have been reached with an unrelated third party;
- c. the purpose of, and potential benefits to, the Company of such transaction;
- d. the approximate dollar value of the amount involved in such transaction, particularly as it relates to the Related Person;
- e. the Related Person's interest in the Related Person Transaction;
- f. the impact on a director's independence in the event the Related Person is a director, an immediate family member of a director or an entity in which a director is a partner, stockholder, or executive officer; and
- g. the availability of other sources to the Company for comparable products or services.

No director shall participate in any review, consideration, or approval of any Related Person Transaction with respect to which such member or any of his or her immediate family members is the Related Person. Such director may be counted in determining the presence of a quorum at a meeting of the Board or Audit Committee that considers such transaction.

4. The Chair of the Audit Committee shall report to the Committee at its next meeting any approval under this Policy pursuant to delegated authority.

### **C. Ratification Procedures**

In the event the Company's Chief Executive Officer, Chief Financial Officer, General Counsel or Chair of the Nominating and Governance Committee becomes aware of a Related Person Transaction that has not been previously approved or previously ratified under this policy:

1. If the transaction is pending or ongoing, it will be submitted to the Audit Committee or Chair promptly, and the Committee or Chair shall consider all of the relevant facts and circumstances available to the Committee or the Chair, including those factors listed above. Based on the conclusions reached, the Committee or the Chair shall evaluate all options, including

but not limited to the ratification, amendment, or termination of the Related Person Transaction; and

2. If the transaction is completed, the Committee or Chair of the Committee shall evaluate the transaction, taking into account the same factors described above, to determine if any changes to the transaction, including but not limited to rescission of the transaction, are appropriate, and shall request that the Chair of the Audit Committee evaluate the Company's controls and procedures to ascertain the reason the transaction was not submitted to the Committee or Chair for prior approval and whether any changes to these procedures are recommended.

#### **D. Standing Pre-Approval**

The Audit Committee has reviewed the types of Related Person Transactions described on Exhibit 1 and has determined that each of the Related Person Transactions that are of the category of those described on Exhibit 1 shall be deemed pre-approved by the Committee.

#### **E. Disclosure**

All Related Person Transactions that are required to be disclosed in the Company's filings with the Securities and Exchange Commission, as required by the Securities Act of 1933 and the Securities Exchange Act of 1934 and related rules and regulations, shall be so disclosed in accordance with such laws, rules and regulations.

The material features of this policy shall be disclosed in the Company's annual report on Form 10-K or in the Company's proxy statement, as required by applicable laws, rules and regulations.

#### **F. Review**

This policy shall be reviewed annually by the Audit Committee and any changes shall be approved by that Committee.

At the request of the Audit Committee, the Chair of the Audit Committee will review the status of any Related Person Transaction subject to this policy.

## **Exhibit 1**

- 1. Employment of executive officers.** Any employment and employment contract by the Company of an executive officer of the Company if:

  - a. the related compensation is required to be reported in the Company's proxy statement under the rules and regulations of the Securities Exchange Commission ("SEC"); and
  - b. the executive officer is not an immediate family member of another executive officer or director of the Company, the related compensation would be reported in the Company's proxy statement under the rules and regulations of the SEC if the executive officer was a "named executive officer", and the Compensation Policy Committee or Board of Directors approved the compensation.
- 2. Director Compensation.** Any compensation paid to a director if the compensation is required to be reported in the Company's proxy statement under the rules and regulations of the SEC and is approved by the Compensation Policy Committee.
- 3. Certain transactions with other companies.** Any transaction with another company at which a Related Person's only relationship is as an employee (other than an officer), director or beneficial owner of less than 10% of that company's shares, if the aggregate amount involved does not exceed the greater of \$1,000,000, or 2% of that company's total annual revenues.
- 4. Certain Company charitable contributions.** Any charitable contribution, grant or endowment by the Company to a charitable organization, foundation or university at which a Related Person's only relationship is as an employee (other than an executive officer) or a director, which has been approved pursuant to the Company's Charitable Contribution Policy if the aggregate amount involved does not exceed the greater of \$1,000,000, or 2% of that charitable organization's total annual receipts.
- 5. Transactions where all stockholders receive proportional benefits.** Any transaction where the Related Person's interest arises solely from the ownership of the Company's common stock and all holders of the Company's common stock received the same benefit on a *pro rata* basis (*e.g.* dividends).
- 6. Transactions involving competitive bids.** Any transaction involving a Related Person where the rates or charges involved are determined by competitive bids.
- 7. Certain banking-related services.** Any transaction with a Related Person involving services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture, or similar services.

**8. Indemnification.** Indemnification and advancement of expenses to any Related Person made pursuant to the Company's Charter or Bylaws or pursuant to any agreement.

**9. Other Transactions.** The following agreements and arrangements, and any renewals thereof, or amendments thereto, in each case made in the ordinary course of business: