

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**Form 8-K**

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

Date of report (Date of earliest event reported): December 19, 2017

**FactSet Research Systems Inc.**

(Exact name of Registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**1-11869**  
(Commission  
File Number)

**13-3362547**  
(I.R.S. Employer  
Identification Number)

**601 Merritt 7**  
**Norwalk, Connecticut 06851**  
(Address of principal executive offices)

**(203) 810-1000**  
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation 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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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## **Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On December 19, 2017, FactSet Research Systems Inc. (“FactSet” or the “Company”) held its 2017 Annual Meeting of Stockholders of FactSet (the “Meeting”).

### FactSet Research Systems Inc. Stock Option and Award Plan, as Amended and Restated

At the Meeting, FactSet stockholders approved the Company’s Stock Option and Award Plan, as Amended and Restated (the “Long Term Incentive Plan” or “LTIP”). As a result of such approval, the LTIP increases the number of shares reserved for issuance under the LTIP, incorporates several provisions that are favorable to FactSet’s stockholders, adds performance measures, extends the term of the LTIP so that it will survive ten years from approval, and makes certain other changes to update the LTIP. A more complete description of the terms of the LTIP are described in “Proposal 4 - Approval of FactSet Research Systems Inc. Stock Option and Award Plan, as Amended and Restated” in the Company’s 2017 definitive proxy statement filed with the Securities and Exchange Commission on October 30, 2017 (the “Proxy Statement”), which description is incorporated by reference herein. The foregoing descriptions and the description incorporated by reference from FactSet’s Proxy Statement are qualified in their entirety by reference to the LTIP, a copy of which is filed as Exhibit 10.1 to this current report on Form 8-K.

### FactSet Research Systems Inc. Non-Employee Directors’ Stock Option and Award Plan, as Amended and Restated

At the Meeting, FactSet stockholders approved the Company’s Non-Employee Directors’ Stock Option and Award Plan, as Amended and Restated (the “Director Plan”). As a result of such approval, the Director Plan increases the number of shares reserved for issuance under the plan, adds the ability to grant restricted shares and restricted share units, adds an annual grant limit, clarifies the share recycling provision, extends the term of the plan so that it will survive ten years from approval, and makes certain other changes to update the plan. A more complete description of the terms of the Director Plan are described in “Proposal 5 - Approval of FactSet Research Systems Inc. Non-Employee Directors’ Stock Option and Award Plan, as Amended and Restated” in the Company’s 2017 Proxy Statement. The foregoing descriptions and the description incorporated by reference from FactSet’s Proxy Statement are qualified in their entirety by reference to the Director Plan, a copy of which is filed as Exhibit 10.2 to this current report on Form 8-K.

### FactSet Research Systems Inc. Employee Stock Purchase Plan, as Amended and Restated

At the Meeting, FactSet stockholders approved the Company’s Employee Stock Purchase Plan, as Amended and Restated (the “ESPP”). As a result of such approval, the ESPP makes certain changes to update the existing plan including allowing participation after fiscal year 2018. A more complete description of the terms of the ESPP are described in “Proposal 6 - Approval of FactSet Research Systems Inc. Employee Stock Purchase Plan, as Amended and Restated” in the Company’s Proxy Statement. The foregoing descriptions and the description incorporated by reference from FactSet’s Proxy Statement are qualified in their entirety by reference to the ESPP, a copy of which is filed as Exhibit 10.3 to this current report on Form 8-K.

## **Item 5.07 Submission of Matters to a Vote of Security Holders.**

The following seven proposals were submitted to stockholders of FactSet at the Meeting:

1. To elect three directors to the Board of Directors.
2. To ratify the appointment of the accounting firm of Ernst & Young LLP as FactSet’s independent registered accounting firm for the fiscal year ending August 31, 2018.
3. To approve, by non-binding vote, the compensation of the Company’s named executive officers.
4. To approve the FactSet Research Systems Inc. Stock Option and Award Plan, as Amended and Restated.
5. To approve the FactSet Research Systems Inc. Non-Employee Directors’ Stock Option and Award Plan, as Amended and Restated.
6. To approve the FactSet Research Systems Inc. Employee Stock Purchase Plan, as Amended and Restated.
7. To recommend, by non-binding vote, the frequency of executive compensation voting.

For more information about the foregoing proposals, refer to the Company’s 2017 Proxy Statement filed with the Securities and Exchange Commission on October 30, 2017. Holders of FactSet common stock were entitled to one vote per share and vote together as a single class on all matters submitted to a vote of stockholders. The ratification of the Company’s independent registered public accounting firm (Proposal 2) is a discretionary item as defined by the New York Stock Exchange; however, Proposal 1 (election of directors), Proposal 3 (approval of compensation), Proposal 4 (approval of the Amended Stock Option and Award Plan), Proposal 5 (approval of the Amended Non-Employee Directors’ Stock Option and Award Plan), Proposal 6 (approval of the Amended Employee Stock Purchase Plan), and Proposal 7 (approval of an annual advisory vote on executive compensation) are considered non-discretionary items and thus brokers were not permitted to vote shares in these matters unless instructions on how to vote these shares were provided to the broker.

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Since a quorum was present at the Meeting, the approval of each proposal required the number of votes described below:

- Under the Company’s amended by-laws, the nominees for election as directors of the Company are elected by majority vote, meaning that in an uncontested director election when the number of votes cast “FOR” a director exceeds the number of votes cast “AGAINST” that director, the nominee will be elected as a director.
- The ratification of Ernst & Young LLP as the Company’s independent registered public accounting firm for the year ended August 31, 2018 requires that a majority of the votes cast at the meeting (either in person or by proxy) be voted “FOR” this proposal.
- The approval of a resolution approving the compensation of FactSet’s named executive officers as disclosed in the Proxy Statement is an advisory vote; however, the Company values the opinions of its stockholders and will take into account the outcome of this vote in considering future compensation arrangements.
- The approval of the FactSet Research Systems Inc. Stock Option and Award Plan, as Amended and Restated, requires that a majority of the votes cast at the Meeting (either in person or by proxy) be voted “FOR” this proposal.
- The approval of the FactSet Research Systems Inc. Non-Employee Directors’ Stock Option and Award Plan, as Amended and Restated, requires that a majority of the votes cast at the Meeting (either in person or by proxy) be voted “FOR” this proposal.
- The approval of the FactSet Research Systems Inc. Employee Stock Purchase Plan, as Amended and Restated, requires that a majority of the votes cast at the Meeting (either in person or by proxy) be voted “FOR” this proposal.
- The determination of how often a resolution to approve executive officer compensation will be submitted to an advisory vote of stockholders will be determined by a majority of the votes cast at the meeting, except that if no option receives a majority of the votes cast at the meeting, FactSet will consider the option that receives the most votes as the option selected by stockholders.

The number of votes cast for and against and the number of abstentions and non-votes with respect to each matter voted upon are set forth below:

Proposal 1: To elect three members to FactSet’s Board of Directors.

Nominee	For	Against	Abstained	Broker Non-Votes
Robin A. Abrams	32,736,129	316,959	21,923	2,590,589
Malcolm Frank	32,898,023	153,675	23,313	2,590,589
Laurie Siegel	32,540,098	513,327	21,586	2,590,589

*The three nominees were elected to FactSet’s Board of Directors. Robin A. Abrams, Malcolm Frank and Laurie Siegel will serve as directors until the Company’s 2020 Annual Meeting of Stockholders or until their respective successors are elected and qualified. The other directors whose terms of office continued after the Meeting are: Scott A. Billeadeau, Philip A. Hadley, Sheila B. Jordan, James J. McGonigle, F. Philip Snow and Joseph R. Zimmer.*

Proposal 2: To ratify the appointment of the accounting firm of Ernst & Young LLP as FactSet’s independent registered public accounting firm for the fiscal year ending August 31, 2018.

For	35,618,568
Against	38,717
Abstained	8,315

*The appointment of Ernst & Young LLP was ratified.*

Proposal 3: To approve, by a non-binding vote, the fiscal 2017 compensation awarded to the Company's named executive officers.

For	31,636,433
Against	36,687
Abstained	1,401,891
Broker Non-Votes	2,590,589

*The fiscal 2017 compensation awarded to FactSet's named executive officers was approved by a non-binding vote.*

Proposal 4: To approve the FactSet Research Systems Inc. Stock Option and Award Plan, as Amended and Restated.

For	29,579,507
Against	3,458,822
Abstained	36,682
Broker Non-Votes	2,590,589

*The FactSet Research Systems Inc. Stock Option and Award Plan, as Amended and Restated, was approved.*

Proposal 5: To approve the FactSet Research Systems Inc. Non-Employee Directors' Stock Option and Award Plan, as Amended and Restated.

For	27,624,431
Against	5,414,900
Abstained	35,680
Broker Non-Votes	2,590,589

*The FactSet Research Systems Inc. Non-Employee Directors' Stock Option and Award Plan, as Amended and Restated, was approved.*

Proposal 6: To approve the FactSet Research Systems Inc. Employee Stock Purchase Plan, as Amended and Restated.

For	32,923,987
Against	117,229
Abstained	33,795
Broker Non-Votes	2,590,589

*The FactSet Research Systems Inc. Employee Stock Purchase Plan, as Amended and Restated, was approved.*

Proposal 7: To recommend, by non-binding vote, the frequency of executive compensation voting.

1 Year	30,231,233
2 Years	26,897
3 Years	2,780,252
Abstained	36,629
Broker Non-Votes	2,590,589

*The frequency of one-year received the highest number of votes and was deemed the frequency selected by the Company's stockholders, by a non-binding vote.*

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**Item 9.01. Financial Statement and Exhibits.**

(d) Exhibits

<u>Exhibit No.</u>	<u>Description of Document</u>
10.1	FactSet Research Systems Inc. Stock Option and Award Plan, as Amended and Restated
10.2	FactSet Research Systems Inc. Non-Employee Directors' Stock Option and Award Plan, as Amended and Restated
10.3	FactSet Research Systems Inc. Employee Stock Purchase Plan, as Amended and Restated

**SIGNATURES**

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

FACTSET RESEARCH SYSTEMS INC.  
(Registrant)

Date: December 21, 2017

/s/ MAURIZIO NICOLELLI  
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Maurizio Nicoelli  
Senior Vice President, Chief Financial Officer  
(Principal Financial Officer)

**Exhibit Index**

<u>Exhibit No.</u>	<u>Description of Document</u>
10.1	<a href="#">FactSet Research Systems Inc. Stock Option and Award Plan, as Amended and Restated</a>
10.2	<a href="#">FactSet Research Systems Inc. Non-Employee Directors' Stock Option and Award Plan, as Amended and Restated</a>
10.3	<a href="#">FactSet Research Systems Inc. Employee Stock Purchase Plan, as Amended and Restated</a>

**FACTSET RESEARCH SYSTEMS INC.  
STOCK OPTION AND AWARD PLAN  
AS AMENDED AND RESTATED**

FactSet Research Systems Inc. (the “**Company**”) hereby amends and restates its FactSet Research Systems Inc. Stock Option and Award Plan, as Amended and Restated, effective as of December 19, 2017 (the “**Effective Date**”).

**1. PURPOSE**

The primary purpose of the Plan is to provide a means by which key employees of the Company and its Subsidiaries (as defined herein) can acquire and maintain stock ownership, thereby strengthening their commitment to the success of the Company and its Subsidiaries and their desire to remain employed by the Company and its Subsidiaries. The Plan also is intended to attract, employ, and retain key employees and to provide such individuals with additional incentive and reward opportunities designed to encourage them to enhance the profitable growth of the Company and its Subsidiaries.

**2. DEFINITIONS**

The following words and phrases, when used herein, unless their context clearly indicates otherwise, shall have the following respective meanings:

**Affiliate** means any corporation or any other entity (including, but not limited to, partnerships and joint ventures) controlling, controlled by, or under common control with the Company.

**Award** means a grant under the Plan of Options, Restricted Shares, Restricted Share Units, Performance Units, Performance Shares, SARs, or Cash Awards.

**Award Agreement** means any written agreement, contract or other instrument or document evidencing any Award granted under the Plan, which may, but need not, be executed or acknowledged by a Grantee.

**Board** means the board of directors of the Company.

**Cash Award** means an Award of cash, which need not be denominated or otherwise measured or valued in relation to Shares, and which may, but need not be, granted in connection with any short-term or long-term cash incentive program established by the Company or an Affiliate.

**Cause** means discharge of a Grantee (i) on account of fraud, embezzlement or other unlawful or tortuous conduct, whether or not involving or against the Company or any Subsidiary or Affiliate, (ii) for willful violation of a policy of the Company or any Subsidiary or Affiliate, (iii) for serious and willful acts of misconduct detrimental to the business or reputation of the Company or any Subsidiary or Affiliate, or (iv) for “cause” or any like term as defined in any written employment contract with the Grantee or Award Agreement. The determination of whether a discharge of a Grantee is for Cause shall be determined in good faith by the Committee whose decision shall be final and binding.

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**Change of Control** means that any of the following events shall have occurred: (a) a “person” (as such term is used in Sections 13(d) and 14(d) of the 1934 Act), partnership, joint venture, corporation or other entity, or two or more of any of the foregoing acting as a group, other than the Company, a Subsidiary, or an employee benefit plan (or related trust) of the Company or a Subsidiary, become(s) the “beneficial owner” (as such term is defined in Rule 13d-3 under the 1934 Act) of more than 50% of the then-outstanding voting stock of the Company; (b) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board (together with any new director whose election by the Board or whose nomination for election by the Company’s stockholders, was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the directors then in office; (c) all or substantially all of the business of the Company is disposed of pursuant to a merger, consolidation or other transaction in which the Company is not the surviving corporation or the Company combines with another company and is the surviving corporation (unless the shareholders of the Company immediately following such merger, consolidation, combination, or other transaction beneficially own, directly or indirectly, more than 50% of the aggregate voting stock or other ownership interests of (x) the entity or entities, if any, that succeed to the business of the Company or (y) the combined company); (d) the Company is a party to a merger, consolidation, sale of assets or other reorganization, or a proxy contest, as a consequence of which the Board in office immediately prior to such transaction or event constitutes less than a majority of the Board thereafter; or (e) the sale of all or substantially all of the assets of the Company or a liquidation or dissolution of the Company.

**Committee** means the Compensation and Talent Committee of the Board appointed pursuant to Section 4.1.

**Company** means FactSet Research Systems Inc., a Delaware corporation.

**Disability** shall, unless otherwise determined by the Committee, have the same meaning as such term or a similar term has under the long-term disability plan or policy maintained by the Company or a Subsidiary under which the Grantee has coverage and which is in effect on the date of the onset of the Grantee’s disability; provided, however, that if the Grantee is not covered by a long-term disability plan or policy, and in all cases for purposes of the post-termination exercise period for an Incentive Stock Option, “Disability” means the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve months. The Committee may require such proof of Disability as the Committee in its sole discretion deems appropriate and the Committee’s good faith determination of Disability will be final and binding on all parties concerned.

**Exercise Price** means the per share purchase price of a Share subject to an Option.

**Fair Market Value** of any Share, as of any applicable date, means (i) if Shares are then listed on a national securities exchange, the “fair market value” shall be the closing price for a Share on such exchange on the date in question, or, if there has been no sale of such security on that date, the closing price for a Share on such exchange on the last preceding business day on which such security was traded; or (ii) if Shares are then not listed on a national securities exchange, the “fair market value” shall be the mean of the bid and asked prices for a Share in the over the counter market as reported in the National Association of Securities Dealers Automatic Quotation System (**NASDAQ**) on that date, or, if there be no such quotation on that date, such prices on the last preceding business day on which there was such a quotation.

**Freestanding SAR** means a SAR that is granted independently of any Option.

**Good Reason** means, unless such term or an equivalent term is otherwise defined by the applicable Award Agreement or other written agreement between a Grantee and the Company or Affiliate where such term is specifically defined to be applicable to an Award, either of the following with respect to the Grantee without the Grantee’s informed written consent: (i) a material reduction by the Company, Affiliate, or successor of the Grantee’s base salary, other than any such material reduction that occurs in connection with a reduction that is imposed on all Grantees at the time of such reduction; or (ii) the relocation of the Grantee’s work place for the Company, Affiliate, or successor to a location that increases the Grantee’s regular one-way commute distance between the Grantee’s residence and work place by more than fifty (50) miles.

**Grant Date** means, with respect to an Award, the date the Award was granted.

**Grantee** means an individual who has been granted an Award.

**Incentive Stock Option** means an Option to purchase Shares which is designated as an Incentive Stock Option and is intended to meet the requirements of Internal Revenue Code Section 422.

**Internal Revenue Code** means the Internal Revenue Code of 1986, as amended, and any succeeding Internal Revenue Code, and references to sections herein shall be deemed to include any such section as amended, modified or renumbered.

**Involuntary Termination** means, as to a Grantee, the occurrence of either of the following upon or within a period of time established by the Committee (not exceeding twenty-four (24) months) following a Change of Control: (i) the Grantee’s employment relationship with the Company, Affiliate, or successor is terminated by the Company, Affiliate, or successor without Cause, or (ii) the Grantee terminates his or her employment relationship with the Company, Affiliate, or successor for Good Reason; provided the Grantee has given the Company, Affiliate, or successor written notice of the existence of a condition constituting Good Reason within sixty (60) days following the initial occurrence of such condition, the Company, Affiliate, or successor fails to remedy such condition within thirty (30) days following such written notice, and the Grantee’s resignation from employment is effective no later than six (6) months following the initial occurrence of such condition. Involuntary Termination shall not include any termination of the Grantee’s employment which is for Cause, a result of the Grantee’ death or Disability, or a result of the Grantee’s voluntary termination of employment other than for Good Reason.



**Net Exercise** means the withholding of Shares to be acquired upon exercise, valued at the Fair Market Value on the date of exercise, for the purpose of paying the exercise price of an Option.

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

**1933 Act** means the Securities Act of 1933, as amended.

**Nonqualified Stock Option** means an Option to purchase Shares which is not intended to be an Incentive Stock Option.

**Option** means any option to purchase Shares granted under the Plan.

**Parent** means any corporation (other than the Company) in an unbroken chain of corporations ending with the employer corporation if, at the time of granting an option, each of the corporations other than the employer corporation owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

**Performance Based Exception** means the performance-based exception set forth in Internal Revenue Code Section 162(m)(4)(C) from the deductibility limitations of Internal Revenue Code Section 162(m).

**Performance Goals** means the goals determined by the Committee, in its sole discretion, to be applicable to a Grantee with respect to an Award.

**Performance Measures** means criteria established by the Committee relating to any of the following, as it may apply to an individual, one or more business units, divisions, or Affiliates, or on a company-wide basis, and in absolute terms, relative to a base period, or relative to the performance of one or more comparable companies, peer groups, or an index covering multiple companies: annual subscription value; client count; user count; revenue; sales; expenses; operating income; gross margin; operating margin; earnings before any one or more of: stock-based compensation expense, interest, taxes, depreciation and amortization; pre-tax profit; net operating income; net income; economic value added; free cash flow; operating cash flow; balance of cash, cash equivalents and marketable securities; stock price; earnings per share; return on stockholder equity; return on capital; return on assets; return on investment; total stockholder return; employee satisfaction; employee retention; market share; customer satisfaction; product development; research and development expenses; completion of an identified special project; completion of a joint venture or other corporate transaction (including acquisitions or divestitures); completion of post-transaction integration; and talent development.

**Performance Period** means the applicable time period established by the Committee, in its sole discretion, during which the performance objectives must be met.

**Performance Share** means any Award granted under Section 8.

**Performance Unit** means any Award granted under Section 8.

**Period of Restriction** means the period during which Restricted Shares and Restricted Share Units are subject to forfeiture and/or restrictions of transferability.

**Plan** means the FactSet Research Systems Inc. Stock Option and Award Plan, As Amended and Restated, as set forth herein and as it may from time to time be amended.

**Restricted Shares** means any Award granted under Section 7.

**Restricted Share Unit** means any Award granted under Section 7.

**SEC** means the Securities and Exchange Commission.

**Section 16 Grantee** means a person subject to potential liability under Section 16(b) of the 1934 Act with respect to transactions involving equity securities of the Company.

**Share** means the common stock of the Company, par value \$0.01 per share.

**Stock Appreciation Right or SAR** means an Award, granted alone or in connection with a related Option, that pursuant to Section 6 is designated as a SAR.

**Subsidiary** means a corporation as defined in Section 424(f) of the Internal Revenue Code with the Company being treated as the employer corporation for purposes of this definition.

**10% Owner** means a person who owns stock (including stock treated as owned under Section 424(d) of the Internal Revenue Code) possessing more than 10% of the total combined voting power of all classes of stock of the Company.

**Tandem SAR** means an SAR that is granted in connection with a related Option, the exercise of which shall require forfeiture of the right to purchase an equal number of Shares under the related Option (and when a Share is purchased under the Option, the SAR shall be cancelled to the same extent).

**Termination of Employment** occurs on the last day an individual is employed by the Company or any of its Subsidiaries or any Parent. Notwithstanding the foregoing, for an individual who is an employee of a Subsidiary, the individual shall be deemed to have a Termination of Employment on the last day on which the Company owns voting securities possessing at least 50% of the aggregate voting power of such Subsidiary's outstanding voting securities. The Company, in its discretion, shall determine whether the Grantee's employment has terminated and the effective date of and reason for such termination.

### 3. SHARES SUBJECT TO THE PLAN

#### 3.1 Number of Shares

Subject to adjustment as provided in Section 3.3, the total number of Shares available for grant under the Plan shall not exceed 17,250,000 Shares. Shares granted under the Plan may be authorized but unissued Shares, reacquired Shares, treasury Shares, or any combination thereof.

#### 3.2 Award Limits

(a) **Incentive Stock Options.** Subject to adjustment as provided in Section 3.3, the maximum aggregate number of Shares that may be issued under the Plan pursuant to the exercise of Incentive Stock Options shall not exceed 17,250,000 Shares.

(b) **Internal Revenue Code Section 162(m) Individual Limits.** Subject to adjustment as provided in Section 3.3:

(i) the maximum number of Shares that may be made subject to Awards granted under the Plan during a fiscal year to any one person in the form of Options or Stock Appreciation Rights is, in the aggregate, 500,000 Shares;

(ii) the maximum number of Shares that may be made subject to Awards granted under the Plan during a fiscal year to any one person in the form of Performance Shares, Performance Units, Restricted Shares, or Restricted Share Units is, in the aggregate, 500,000 Shares;

(iii) in connection with Awards granted under the Plan during a fiscal year to any one person in the form of Performance Shares, Performance Units, or Restricted Share Units, the maximum cash amount payable thereunder is the amount equal to the number of Shares made subject to the Award, as limited by Section 3.2(b)(ii), multiplied by the Fair Market Value as determined as of the payment date; and

(iv) in connection with Awards granted under the Plan during a fiscal year to any one person in the form of Performance Units or Cash Awards, the maximum cash amount payable under such Performance Units or Cash Awards is, in the aggregate, \$5,000,000;

provided, however, that each of the limitations set forth above shall be multiplied by two when applied to Awards granted to any individual during the fiscal year in which such individual first commences employment with the Company or an Affiliate; and provided, further, that the limitations set forth above shall be multiplied by the number of fiscal years over which the applicable Performance Period spans (in whole or in part), if the Performance Period is longer than 12 months' duration, when applied to performance-based Awards. If an Award is terminated, surrendered or canceled in the same year in which it was granted, such Award nevertheless will continue to be counted against the limitations set forth above in this Section 3.2(b) for the fiscal year in which it was granted.

### 3.3 Adjustments in Awards and Authorized Shares

In the event of any merger, reorganization, consolidation, recapitalization, separation, liquidation, stock dividend, split-up, Share combination, or other change in the corporate structure of the Company affecting the Shares, the Committee shall adjust the number and class of Shares which may be delivered under the Plan, the number, class and price of Shares subject to outstanding Awards (including the Exercise Price), and the numerical limits in this Section 3, in such manner as the Committee (in its sole discretion) shall determine to be appropriate including to prevent the dilution, diminution, or enlargement of such Awards and any such adjustment may, in the sole discretion of the Committee, take the form of Options covering more than one class of Shares. Notwithstanding the preceding, the number of Shares subject to any Award always shall be a whole number. Any such adjustment shall be conclusive and binding for all purposes of the Plan.

### 3.4 Awards Granted to Non-US Employees

Awards may be granted to Grantees who are foreign nationals or employed outside the United States, or both. Notwithstanding any provisions of the Plan to the contrary, in order to foster and promote achievement of the purposes of the Plan or to comply with provisions of laws in other countries in which the Company operates or has employees, the Committee, in its sole discretion, shall have the power and authority to (i) determine which individuals (if any) employed by the Company outside the United States are eligible to participate in the Plan, (ii) modify the terms and conditions of any Awards made to Grantees, and (iii) establish subplans and modified Option exercise procedures and other Award terms and procedures to the extent such actions may be necessary or advisable. Awards to such individuals may be made on such terms and conditions different from those applicable to Grantees in the United States as may, in the judgment of the Committee, be necessary or desirable in order to recognize differences in local law or tax policy. The Committee may also impose conditions on the exercise or vesting of Awards in order to minimize the Company's obligation with respect to tax equalization for employees on assignment outside their home country.

### 3.5 Share Counting

(a) **Flexible Share Ratio.** Each Share subject to an Option or Stock Appreciation Right shall be counted against the limit set forth in Section 3.1 as one (1) Share. Each one (1) Share subject to an Award other than Options and Stock Appreciation Rights granted pursuant to the Plan or forfeited or repurchased pursuant to Section 3.5(b) shall be counted for purposes of the limit set forth in Section 3.1 as two and one-half (2 ½) Shares.

(b) **Shares Available for Future Issuance.** If an outstanding Award for any reason expires or is terminated or canceled without having been exercised or settled in full, or if Shares acquired pursuant to an Award subject to forfeiture or repurchase are forfeited or repurchased by the Company for an amount not greater than the Grantee's purchase price, the Shares allocable to the terminated portion of such Award or such forfeited or repurchased Shares shall again be available for issuance under the Plan. Shares shall not be deemed to have been issued pursuant to the Plan with respect to any portion of an Award that is settled in cash. Upon payment in Shares pursuant to the exercise of a SAR, the number of Shares available for issuance under the Plan shall be reduced by the gross number of Shares for which the SAR is exercised. If the exercise price of an Option is paid by tender to the Company, or attestation to the ownership, of Shares owned by the Grantee, or by means of a Net Exercise, the number of Shares available for issuance under the Plan shall be reduced by the gross number of Shares for which the Option is exercised. Shares withheld or reacquired by the Company in satisfaction of tax withholding obligations pursuant to Awards shall not again be available for issuance under the Plan. Shares purchased in the open market with proceeds from the exercise of Options shall not be added to the limit set forth in Section 3.1.

### **3.6 Assumption or Substitution of Awards**

The Committee may, without affecting the number of Shares reserved or available hereunder, authorize the issuance or assumption of awards under this Plan in connection with any merger, consolidation, acquisition of property or stock, or reorganization upon such terms and conditions as it may deem appropriate, subject to compliance with Internal Revenue Code Section 409A and any other applicable provisions of the Internal Revenue Code. To the extent permitted by applicable law and marketplace or listing rules of the primary securities market or exchange on which the Shares are listed or admitted for trading, any available Shares under a stockholder-approved plan of an acquired company (as appropriately adjusted to reflect the transaction) may be used for Awards granted hereunder, and, upon such grant, shall not reduce the Shares available for Awards under the Plan.

### **3.7 Minimum Vesting**

Except with respect to five percent (5%) of the maximum aggregate number of Shares that may be issued under the Plan, as provided in Section 3.1, no Award which vests on the basis of the Grantee's continued employment shall vest earlier than one year following the date of grant of such Award, and no Award which vests on the basis of attainment of performance goals shall provide for a Performance Period of less than one year.

## **4. ADMINISTRATION**

### **4.1 Administrative Committee**

The Plan shall be administered by the Committee, which shall consist of not less than two persons who are directors of the Company, each of whom shall qualify as (i) an "outside director" within the meaning of Section 162(m) of the Internal Revenue Code and (ii) a "non-employee director" within the meaning of Rule 16b-3 promulgated under Section 16(b) of the 1934 Act, or, (iii) if there are less than two persons who so qualify, then the Committee shall consist of all the directors serving on the Board.

### **4.2 Authority of the Committee**

The Committee shall have full and final authority, in its discretion, but subject to the express provisions of the Plan, as follows:

- (a) to grant Awards and to select the persons to be granted Awards;

(b) to determine (1) when Awards may be granted and any conditions which must be satisfied before an Award is made and (2) what types of Awards will be granted and the size and terms thereof;

(c) to interpret the Plan and to make all determinations necessary or advisable for the administration of the Plan;

(d) to establish objectives and conditions for earning Awards;

(e) to establish objectives and conditions for vesting or payment of Awards;

(f) to determine whether an Award shall be evidenced by an agreement and, if so, to determine the terms of such agreement (which shall not be inconsistent with the Plan) and who must sign such agreement;

(g) to determine whether the conditions for earning an Award have been met and whether an Award will be paid at the end of the Performance Period;

(h) to determine if and when an Award may be deferred;

(i) to determine whether the amount or payment of an Award should be reduced or eliminated;

(j) to determine the guidelines and/or procedures for the payment or exercise of Awards;

(k) to determine whether an Award should qualify, regardless of its amount, as deductible in its entirety for federal income tax purposes, including whether any Awards comply with the Performance Based Exception under Internal Revenue Code Section 162(m);

(l) to prescribe, amend, and rescind rules relating to the Plan;

(m) to determine, subject to the terms of the Plan, the terms and provisions of the written agreements by which all Awards shall be granted, and, with the consent of the Grantee, to modify any such Award Agreement at any time, including to accelerate vesting of any Award in connection with a Grantee's Involuntary Termination or retirement or as part of a severance arrangement, subject, however, to Section 3.7, and to extend the post-termination exercise period of any Award;

(n) to provide for electronic administration of the Plan, including Award Agreements, where electronic acceptance of the Award Agreement by the Grantee, in the manner provided by the Committee, shall be equivalent to the Grantee's execution of an Award Agreement; and

(o) to impose such additional conditions, restrictions, and limitations upon the grant, exercise or retention of Awards as the Committee may, before or concurrently with the grant thereof, deem appropriate.

The determination of the Committee on all matters relating to the Plan or any Award or Award Agreement shall be conclusive, final, and binding on all parties concerned, including the Company, its stockholders and any person receiving an Award under the Plan. No member of the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any Award.

To the extent permitted by applicable law, the Committee may, in its discretion, delegate to a committee comprised of one or more officers the authority to grant one or more Awards, without further approval of the Committee, to any employee, other than a person who, at the time of such grant, is an insider whose transactions in Shares are subject to Section 16 of the 1934 Act or a "covered employee," as described in Section 162(m) of the Code, and to exercise such other powers under the Plan as the Committee may determine; provided, however, that (a) the Committee shall fix the maximum number of Shares subject to Awards that may be granted by such officers, (b) each such Award shall be subject to the terms and conditions of the appropriate standard form of Award Agreement approved by the Board or the Committee and shall conform to the provisions of the Plan, and (c) each such Award shall conform to such other limits and guidelines as may be established from time to time by the Committee.

## **5. STOCK OPTIONS**

### **5.1 Grant Options**

Subject to the terms and provisions of the Plan, Options may be granted to employees of the Company or its Subsidiaries at any time and from time to time as determined by the Committee in its sole discretion. In selecting the individuals to whom Options may be granted, in determining the number of Shares subject to each Option, and in determining the other terms and conditions applicable to each Option, the Committee shall take into consideration such factors as it deems relevant in promoting the purposes of the Plan. The Committee, in its sole discretion, may grant Incentive Stock Options, Nonqualified Stock Options, or a combination thereof.

### **5.2 General Conditions**

(a) The Grant Date of an Option shall be the date on which the Committee grants the Option or such later date as specified in advance by the Committee.

(b) The term of each Option shall be a period of not more than ten years from the Grant Date, and shall be subject to earlier termination as herein provided.

(c) No dividend equivalents will be paid with respect to Options.

### **5.3 Exercise Price**

No later than the Grant Date of any Option, the Committee shall determine the Exercise Price of such Option. Subject to Section 6.3 with respect to Incentive Stock Options, the Exercise Price of an Option shall be at such price (which may not be less than 100% of the Fair Market Value of a Share on the Grant Date unless the Option was granted through the assumption of, or in substitution for, outstanding awards previously granted to individuals who became employees of the Company as a result of a merger, consolidation, acquisition or other corporate transaction involving the Company), as the Committee, in its discretion, shall determine.

#### 5.4 Grant of Incentive Stock Options

At the time of the grant of any Option, the Committee may designate that such Option shall be made subject to additional restrictions to permit it to qualify as an Incentive Stock Option. Any Option designated as an Incentive Stock Option:

(a) shall have an Exercise Price of (1) not less than 100% of the Fair Market Value of a Share on the Grant Date or (2) in the case of a 10% Owner, not less than 110% of the Fair Market Value of a Share on the Grant Date;

(b) shall be for a period of not more than ten years (five years, in the case of a 10% Owner) from the Grant Date, and shall be subject to earlier termination as provided herein or in the applicable Award Agreement;

(c) shall not have an aggregate Fair Market Value (determined for each Incentive Stock Option at its Grant Date) of the Shares with respect to which Incentive Stock Options are exercisable for the first time by such Grantee during any calendar year (under the Plan and any other employee stock option plan of the Grantee's employer or any Parent or Subsidiary thereof ("**Other Plans**"), determined in accordance with the provisions of Section 422 of the Internal Revenue Code, which exceeds \$100,000 (the "**\$100,000 Limit**");

(d) shall, if the aggregate Fair Market Value of the Shares (determined on the Grant Date) with respect to all Incentive Stock Options previously granted under the Plan and any Other Plans and any Incentive Stock Options under such grant (the "**Current Grant**") which are exercisable for the first time during any calendar year would exceed the \$100,000 Limit, be exercisable as a separate Nonqualified Stock Option at such date or dates as are provided in the Current Grant;

(e) shall be granted within 10 years from the earlier of the date the Plan is adopted or the date the Plan is approved by the stockholders of the Company; and

(f) shall require the Grantee to notify the Committee of any disposition of any Shares issued pursuant to the exercise of the Incentive Stock Option within two years of the date of grant or within one year of the date of exercise (except in the event of the death of the Grantee), within 10 days of such disposition.

Notwithstanding the foregoing and Section 4.2(m), the Committee may, without the consent of the Grantee, at any time before the exercise of an Option (whether or not an Incentive Stock Option), take any action necessary to prevent such Option from being treated as an Incentive Stock Option.



## **5.5 Substitute Options**

Subject to Section 5.9, if the Committee cancels any Option granted under this Plan, or any plan of any entity acquired by the Company or any of its Subsidiaries, and a new Option is substituted therefor, then the Committee may, in its discretion, determine the terms and conditions of such new Option and may, in its discretion, provide that the grant date of the canceled option shall be the date used to determine the earliest date or dates for exercising the new substituted Option under Section 5.7 hereof so that the Grantee may exercise the substituted Option at the same time as if the Grantee had held the substituted Option since the grant date of the canceled option; provided that no Option shall be canceled without the consent of the Grantee if the terms and conditions of the new Option to be substituted are not at least as favorable as the terms and conditions of the Option to be canceled.

## **5.6 Nontransferability**

Each Option granted hereunder shall by its terms not be assignable or transferable other than by will or the laws of descent and distribution and may be exercised, during the Grantee's lifetime, only by the Grantee. With the approval of the Committee, an Option may be transferred by gift to any member of the Grantee's immediate family or to a trust for the benefit of one or more such immediate family members. For purposes of this Section 5.6, "immediate family" shall mean the Grantee's spouse, children and grandchildren, parents, grandparents, former spouses, siblings, nieces, nephews, parents-in-law, sons-in-law, daughters-in-law, brothers-in-law, sisters-in-law, including adoptive or step relationships.

## **5.7 Exercise of Options**

Subject to Sections 4.2(f) and 11 and such terms and conditions as the Committee may impose, each Option shall be exercisable in such manner as the Committee, in its discretion, shall determine as set forth in the Award Agreement. Each Option shall be exercised by delivery to the Company of a written notice of intent to purchase (in such form as prepared by the Committee) a specific number of Shares subject to the Option. The Exercise Price of any Shares shall be paid in full at the time of the exercise.

## **5.8 Payment of Exercise Price**

In the discretion of the Committee, a Grantee may pay the Exercise Price payable upon the exercise of an Option in cash, previously acquired Shares valued at its Fair Market Value on the date of exercise, Net Exercise, broker-assisted cashless exercise, or any combination thereof. Payments in Shares shall be made by delivery of (i) stock certificates in negotiable form or (ii) a completed attestation form prescribed by the Company setting forth the Shares of stock owned by the holder which the holder wishes to utilize to satisfy the exercise price. If certificates representing Shares are used to pay all or part of the purchase price of an Option, a separate certificate shall be delivered by the Company representing the same number of Shares as each certificate so used, and an additional certificate shall be delivered representing the additional Shares to which the holder of the Option is entitled as a result of the exercise of the Option. No previously acquired Shares may be used by a Grantee unless such Shares were acquired in the open market.

## **5.9 Prohibition Against Repricing**

Without the affirmative vote of holders of a majority of the Shares cast in person or by proxy at a meeting of the stockholders of the Company at which a quorum representing a majority of all outstanding Shares is present or represented by proxy, the Committee shall not approve a program providing for either (a) the cancellation of outstanding Options or SARs having exercise prices per Share greater than the then Fair Market Value of a Share (“**Underwater Awards**”) and the grant in substitution therefor of new Options or SARs having a lower exercise price, other Awards or payments in cash, or (b) the amendment of outstanding Underwater Awards to reduce the exercise price thereof. This Section shall not be construed to apply to (i) “issuing or assuming a stock option in a transaction to which Section 424(a) applies,” within the meaning of Section 424 of the Internal Revenue Code, (ii) adjustments pursuant to the assumption of or substitution for an Option or SAR in a manner that would comply with Section 409A of the Internal Revenue Code, or (iii) an adjustment pursuant to Section 3.3.

## **6. STOCK APPRECIATION RIGHTS**

### **6.1 Grant of SARs**

Subject to the terms and conditions of the Plan, a SAR may be granted to employees of the Company or its Subsidiaries at any time or from time to time as determined by the Committee in its sole discretion. SARs may be granted alone or in tandem with Options.

### **6.2 Number of Shares**

The Committee shall have complete discretion to determine the number of SARs granted to any Grantee.

### **6.3 Exercise Price and Other Terms**

The Committee, subject to the provisions of the Plan, shall have complete discretion to determine the terms and conditions of SARs granted under the Plan; however, the exercise price of a Freestanding SAR shall be not less than 100% of the Fair Market Value of a Share on the Grant Date. The exercise price of Tandem SARs shall equal the Exercise Price of the related Option.

#### **6.4 Exercise of Tandem SARs**

Tandem SARs may be exercised for all or part of the Shares subject to the related Option upon the surrender of the right to exercise the equivalent portion of the related Option. A Tandem SAR may be exercised only with respect to the Shares for which its related Option is then exercisable. With respect to a Tandem SAR granted in connection with an Incentive Stock Option: (a) the Tandem SAR shall expire no later than the expiration of the underlying Incentive Stock Option; (b) the value of the payout with respect to the Tandem SAR shall be for no more than one hundred percent (100%) of the difference between the Exercise Price of the underlying Incentive Stock Option and the Fair Market Value of the Shares subject to the underlying Incentive Stock Option at the time the Tandem SAR is exercised; and (c) the Tandem SAR shall be exercisable only when the Fair Market Value of the Shares subject to the Incentive Stock Option exceeds the Exercise Price of the related Incentive Stock Option.

#### **6.5 Exercise of Freestanding SARs**

Freestanding SARs shall be exercisable on such terms and conditions as the Committee, in its sole discretion, shall determine.

#### **6.6 Payment of SAR Amount**

Upon exercise of an SAR, a Grantee shall be entitled to receive payment from the Company in an amount determined by multiplying (a) the difference between the Fair Market Value of a Share on the date of exercise over the exercise price; times (b) the number of Shares with respect to which the SAR is exercised. At the discretion of the Committee, the payment upon SAR exercise may be in cash, Shares or a combination thereof. No dividend equivalents will be paid with respect to SARs.

#### **6.7 Term of SARs**

The term of a SAR shall be determined by the Committee in its sole discretion, but in no event shall the term exceed ten (10) years from the date of grant.

### **7. RESTRICTED SHARES AND RESTRICTED SHARE UNITS**

#### **7.1 Grant of Restricted Shares and Restricted Share Units**

Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may grant Restricted Shares or Restricted Share Units to employees of the Company or its Subsidiaries in such amounts as the Committee, in its sole discretion, shall determine.

## **7.2 Nontransferability**

Restricted Shares and Shares received in respect of Restricted Share Units may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated until the end of the applicable Period of Restriction.

## **7.3 Restrictions**

Restricted Shares and Restricted Share Units shall be subject to such restrictions as the Committee, in its sole discretion, may deem advisable or appropriate, including, without limitation, any limitation on the right to vote a Restricted Share or the right to receive any dividend or other right or property, which restrictions may lapse separately or in combination at such time or times, in such installments or otherwise, as the Committee may deem appropriate. The Committee may also set restrictions based upon the achievement of specific performance objectives (Company-wide, divisional, or individual), applicable federal or state securities laws, or any other basis determined by the Committee in its discretion, and may require recipients of Restricted Shares or Restricted Share Units to pay a stipulated purchase price for such Restricted Shares or Restricted Share Units.

## **7.4 Section 162(m) Performance Restrictions**

For purposes of qualifying Awards of Restricted Shares and Restricted Share Units as “performance-based compensation” under Internal Revenue Code Section 162(m), the Committee, in its discretion, may set restrictions based upon the achievement of Performance Goals with respect to Performance Measures. The Performance Goals may be set by the Committee on or before the latest date permissible to enable the Restricted Shares or Restricted Share Units to qualify as “performance-based” compensation under Internal Revenue Code Section 162(m).

## **7.5 Legend on Certificates or Book-Entry Registration for Restricted Shares**

Any Restricted Share granted under the Plan may be evidenced in such manner as the Committee may deem appropriate including, without limitation, book entry registration or issuance of a stock certificate or certificates. In the event that any stock certificate is issued in respect of Restricted Shares granted under the Plan, such certificate shall be registered in the name of the Grantee and shall bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Shares.

## **7.6 Termination of Employment**

Except as otherwise determined by the Committee, upon termination of employment with the Company for any reason during the Period of Restriction, all Restricted Shares and all Restricted Share Units still, in either case, subject to restriction shall be forfeited and reacquired at no cost by the Company; *provided, however*, that the Committee may, in its sole discretion, when it finds that a waiver may be in the best interests of the Company, waive in whole or in part any remaining restrictions with respect to Restricted Shares or Restricted Share Units, subject to Section 3.7.

### **7.7 Payment in Respect of Restricted Share Units**

Restricted Share Units that become payable in accordance with their terms and conditions shall be settled in cash, Shares, or a combination of cash and Shares, as determined by the Committee.

### **7.8 No Disposition During Period of Restriction**

During the Period of Restriction, Restricted Shares may not be sold, assigned, transferred or otherwise disposed of, or mortgaged, pledged or otherwise encumbered. In order to enforce the limitations imposed upon Awards of Restricted Shares, the Committee may (a) cause a legend or legends to be placed on any certificates relating to Restricted Shares subject to an Award, and/or (b) issue "stop transfer" instructions, as it deems necessary or appropriate.

### **7.9 Dividend and Voting Rights**

During the Period of Restriction, Grantees who hold Restricted Shares shall have the right to dividends, however, the dividends will be subject to the same vesting schedule as the underlying Shares. Grantees who hold Restricted Shares shall have the right to vote such Shares as the record owner thereof. During the Period of Restriction, Grantees who hold Restricted Share Units will have the right to dividend equivalent payments only if provided by the Committee in the Award Agreement, and any such dividend equivalents will be subject to the same vesting schedule as the underlying Restricted Share Units. Grantees who hold Restricted Share Units shall not have the right to vote the underlying Shares until Shares are issued to the Grantee to settle the Award.

## **8. PERFORMANCE UNITS, PERFORMANCE SHARES, AND CASH AWARDS**

### **8.1 Grant of Performance Units or Shares**

Subject to the terms and provisions of the Plan, Performance Units and Performance Shares may be granted to employees of the Company or its Subsidiaries at any time and from time to time as determined by the Committee in its sole discretion.

### **8.2 Initial Value of Performance Units or Shares**

Each Performance Unit shall have an initial value that is established by the Committee on or before the Grant Date. Each Performance Share shall have an initial value equal to the Fair Market Value of a Share on the Grant Date.

### **8.3 Performance Objectives and Other Terms**

The Committee shall set performance objectives in its discretion which, depending on the extent to which they are met, will determine the number or value of Performance Units or Shares that will be paid out to any Grantee.

#### **8.4 General Performance Objectives**

The Committee may set Performance Goals based upon the achievement of Company-wide, Subsidiary, departmental, regional, functional, divisional, business unit or individual goals, applicable federal or state securities laws, or any other basis (including, without limitation, relative to the performance of other corporations) determined by the Committee in its sole discretion.

#### **8.5 Section 162(m) Performance Restrictions**

For purposes of qualifying Awards of Performance Units or Performance Shares for the Performance Based Exception under Internal Revenue Code Section 162(m), the Committee, in its discretion, may determine that the performance objectives applicable to Performance Units or Performance Shares shall be based on the achievement of Performance Goals with respect to the Performance Measures. The Performance Goals may be set by the Committee on or before the latest date permissible to enable the Performance Units or Performance Shares to qualify as “performance-based” compensation under Internal Revenue Code Section 162(m). With respect to any Award that is intended to satisfy the conditions for the Performance Based Exception under Internal Revenue Code Section 162(m): (A) the Committee shall interpret the Plan and this Section 8 in light of Internal Revenue Code Section 162(m) and the regulations thereunder; (B) the Committee shall have no discretion to amend the Award in any way that would adversely affect the treatment of the Award under Internal Revenue Code Section 162(m) and the regulations thereunder; and (C) such Award shall not be paid until the Committee shall first have certified that the Performance Goals have been achieved.

#### **8.6 Earning of Performance Units or Shares**

After the applicable Performance Period has ended, the Grantee shall be entitled to receive a payout of the number of Performance Units or Performance Shares earned by the Grantee over the Performance Period, to be determined as a function of the extent to which the corresponding performance objectives have been achieved. After the grant of a Performance Unit or Performance Share, the Committee, in its sole discretion, when it finds that a waiver may be in the best interests of the Company, may reduce or waive any performance objectives for such Performance Unit or Performance Share, subject to Section 3.7.

#### **8.7 Form and Timing of Payment**

Payment of earned Performance Units or Performance Shares shall be made as soon as practicable after the expiration of the applicable Performance Period. The Committee, in its sole discretion, may pay such earned Awards in cash, Shares, or a combination thereof.

#### **8.8 Negative Discretion**

Notwithstanding the achievement of any Performance Goals established under this Plan, the Committee has the discretion by Grantee, to reduce some or all of an Award that would otherwise be paid.

## **8.9 Extraordinary Events**

At, or at any time after, the time an Award is granted, and to the extent permitted under Internal Revenue Code Section 162(m) and the regulations thereunder without adversely affecting the treatment of the Award under the Performance Based Exception, the Committee may provide for the manner in which performance will be measured against the Performance Goals (or may adjust the Performance Goals) to reflect the impact of specific corporate transactions, accounting or tax law changes and other unusual or infrequently occurring events or transactions.

## **8.10 Dividends and Dividend Equivalents**

Grantees who hold Performance Units or Performance Shares will have the right to dividends or dividend equivalent payments, as applicable, only if provided by the Committee in the Award Agreement, and any such dividends or dividend equivalents will be subject to the same performance measures and vesting schedule as the underlying Performance Units or Performance Shares.

## **8.11 Cash Awards**

The Committee may from time to time grant Awards in the form of Cash Awards on such terms and conditions as the Committee may determine, including, without limitation, Cash Awards in connection with any short-term or long-term cash incentive program established by the Company or an Affiliate and Cash Awards intended to qualify for the Performance Based Exception. No dividend equivalents will be paid with respect to Cash Awards.

## **9. TAX WITHHOLDING**

### **9.1 Mandatory Tax Withholding**

Whenever under the Plan, cash or Shares pursuant to an Award are to be delivered to an individual who is subject to U.S. federal income taxes or non-U.S. taxes upon exercise or payment of an Award, the Company shall be entitled to require as a condition of delivery (i) that the Grantee remit an amount sufficient to satisfy all such U.S. Federal, state, and local and all non-U.S. withholding tax requirements related thereto, (ii) the withholding of such sums from compensation otherwise due to the Grantee or from any Shares or cash due to the Grantee under the Plan, or (iii) any combination of the foregoing. The Company shall have no obligation to deliver Shares, to release Shares from an escrow established pursuant to an Award Agreement, or to make any payment in cash under the Plan until the Company's or Affiliate's tax withholding obligations have been satisfied by the Grantee.

### **9.2 Withholding in or Directed Sale of Shares**

The Company shall have the right, but not the obligation, to deduct from the Shares issuable to a Grantee upon the exercise or settlement of an Award, or to accept from the Grantee the tender of, a number of whole Shares having a Fair Market Value, as determined by the Company, equal to all or any part of the tax withholding obligations of the Company or any Affiliate. The Fair Market Value of any Shares withheld or tendered to satisfy any such tax withholding obligations shall not exceed the amount determined by the applicable minimum statutory withholding rates (or the maximum individual statutory withholding rates for the applicable jurisdiction if use of such rates would not result in adverse accounting consequences or cost). The Company may require a Grantee to direct a broker, upon the vesting, exercise or settlement of an Award, to sell a portion of the shares subject to the Award determined by the Company in its discretion to be sufficient to cover the tax withholding obligations of the Company or any Affiliate and to remit an amount equal to such tax withholding obligations to such Company or Affiliate in cash.

## 10. DEFERRED PAYMENTS

Subject to the terms of this Plan and applicable law, including Section 409A of the Internal Revenue Code, the Committee may determine that all or a portion of any Award to Grantee, whether it is to be paid in cash, Shares or a combination thereof, shall be deferred or may, in its sole discretion, approve deferral elections made by Grantees. Deferrals shall be for such periods and upon such terms as the Committee may determine in its sole discretion; provided, however, that no deferral shall be permitted to the extent that any such deferral would adversely affect the tax treatment of any outstanding Awards under applicable law.

## 11. TERMINATION OF EMPLOYMENT

### 11.1 Termination for Cause.

If the Grantee has a Termination of Employment for Cause, then all Awards (vested and unvested) shall terminate immediately upon the Grantee's Termination of Employment.

### 11.2 Termination other than for Cause.

If the Grantee has a Termination of Employment for any reason other than Cause, then any unexercised Award, to the extent exercisable on the date of the Grantee's Termination of Employment, may be exercised as follows, unless otherwise provided in an Award Agreement:

(a) **Death.** If the Grantee's Termination of Employment is caused by the death of the Grantee, then any unexercised Award to the extent exercisable on the date of the Grantee's death, may be exercised in whole or in part, at any time within one year after the Grantee's death by the Grantee's personal representative or by the person to whom the Award is transferred by will or the applicable laws of descent and distribution, but in no event beyond the scheduled expiration of the Award;

(b) **Disability.** If the Grantee's Termination of Employment is on account of the Disability of the Grantee, then any unexercised Award to the extent exercisable at the date of such Termination of Employment, may be exercised, in whole or in part, at any time within one year after the date of such Termination of Employment; *provided, however*, that, if the Grantee dies after such Termination of Employment and before the end of such one year period, such Award may be exercised by the deceased Grantee's personal representative or by the person to whom the Award is transferred by will or the applicable laws of descent and distribution within one year after the Grantee's Termination of Employment, or, if later, within 180 days after the Grantee's death, but in no event beyond the scheduled expiration of the Award; and



(c) **Other.** If the Grantee's Termination of Employment is for any reason other than Cause, death, or Disability, then any unexercised Award, to the extent exercisable at the date of such Termination of Employment, may be exercised, in whole or in part, at any time within 90 days after such Termination of Employment; *provided, however*, that if the Grantee dies within such 90-day period following such Termination of Employment, such Award may be exercised by the deceased Grantee's personal representative or by the person to whom the Award is transferred by will or the applicable laws of descent and distribution within 180 days of the Grantee's death, but in no event beyond the scheduled expiration of the Award.

All unvested Awards expire automatically upon the Grantee's Termination of Employment, unless otherwise provided in the Award Agreement.

## 12. EFFECTS OF A CHANGE OF CONTROL

In the event of a Change of Control, outstanding Awards shall be subject to the definitive agreement entered into by the Company in connection with the Change of Control. Subject to the requirements and limitations of Section 409A of the Internal Revenue Code, if applicable, the Committee may provide pursuant to such agreement for any one or more of the following:

(a) **Assumption, Continuation or Substitution.** In the event of a Change of Control, the surviving, continuing, successor, or purchasing corporation or other business entity or parent thereof, as the case may be (the "**Acquiror**"), may, without the consent of any Grantee, assume or continue the Company's rights and obligations under each or any Award or portion thereof outstanding immediately prior to the Change of Control or substitute for each or any such outstanding Award or portion thereof a substantially equivalent award with respect to the Acquiror's stock, as applicable. For purposes of this Section, if so determined by the Committee in its discretion, an Award denominated in Shares shall be deemed assumed if, following the Change of Control, the Award confers the right to receive, subject to the terms and conditions of the Plan and the applicable Award Agreement, for each Share subject to the Award immediately prior to the Change of Control, the consideration (whether stock, cash, other securities or property or a combination thereof) to which a holder of a Share on the effective date of the Change of Control was entitled (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration is not solely common stock of the Acquiror, the Committee may, with the consent of the Acquiror, provide for the consideration to be received upon the exercise or settlement of the Award, for each Share subject to the Award, to consist solely of common stock of the Acquiror equal in Fair Market Value to the per share consideration received by holders of Shares pursuant to the Change of Control. Any Award or portion thereof which is neither assumed or continued by the Acquiror in connection with the Change of Control nor exercised or settled as of the time of consummation of the Change of Control shall terminate and cease to be outstanding effective as of the time of consummation of the Change of Control.

(b) **Cash-Out of Outstanding Stock-Based Awards.** The Committee may, in its discretion and without the consent of any Grantee, determine that, upon the occurrence of a Change of Control, each or any Award denominated in Shares or portion thereof outstanding immediately prior to the Change of Control and not previously exercised or settled shall be canceled in exchange for a payment with respect to each vested Share subject to such canceled Award in (i) cash, (ii) stock of the Company or of a corporation or other business entity a party to the Change of Control, or (iii) other property which, in any such case, shall be in an amount having a Fair Market Value equal to the Fair Market Value of the consideration to be paid per Share in the Change of Control, reduced (but not below zero) by the exercise or purchase price per Share, if any, under such Award. In the event such determination is made by the Committee, an Award having an exercise or purchase price per Share equal to or greater than the Fair Market Value of the consideration to be paid per Share in the Change of Control may be canceled without payment of consideration to the holder thereof.

(c) **Accelerated Vesting of Time-Vesting Awards.** The Committee may, in its discretion, provide that if either:

(i) the Acquiror will not assume or continue time-vesting Awards or substitute a substantially equivalent award pursuant to subsection (a) above, in each case for equity securities of the Acquiror which are or promptly will be registered under the 1933 Act and tradable on an established United States securities exchange, or

(ii) the Acquiror has so assumed, continued or substituted for the time-vesting Award, but the Grantee's employment terminates as a result of Involuntary Termination,

then the exercisability, vesting and/or settlement of the time-vesting Award and Shares acquired pursuant thereto will accelerate in full or in part to such extent as the Committee determines.

(d) **Accelerated or Pro Rata Settlement of Performance-Vesting Awards.** The Committee may, in its discretion, provide that if either:

(i) the Acquiror will not assume or continue performance-vesting Awards or substitute a substantially equivalent award pursuant to subsection (a) above, in each case for equity securities of the Acquiror which are or promptly will be registered under the 1933 Act and tradable on an established United States securities exchange, or

(ii) the Acquiror has so assumed, continued or substituted for the performance-vesting Award, but the Grantee's employment terminates as a result of Involuntary Termination,

then the exercisability, vesting and/or settlement of the performance-vesting Award and Shares acquired pursuant thereto will be determined, as specified by the Committee, either (A) based upon the actual achievement of the applicable performance goals(s) under the terms of the performance-based Award through the date of the Change of Control or the Involuntary Termination, as applicable or (B) to such extent as would occur under the terms of the performance-vesting Award had 100% of the target level of the applicable performance goals(s) been achieved but with the result prorated based on the period of the Grantee's actual employment during the applicable full Performance Period.

### 13. NONCOMPETITION AND NONSOLICITATION

During the period of the Grantee's employment and for two years thereafter, the Grantee shall not, directly or indirectly, (a) own, manage, operate, join or control, be employed by or participate in the ownership, management, operation or control of, or be a consultant to or connected in any other manner with, any business, firm or corporation which is similar to or competes with a principal business of the Company or its Subsidiaries (a "**Competitive Activity**") or (b) for the Grantee or any person or business entity, induce or attempt to induce any employee of the Company or a Subsidiary to terminate employment with the Company or a Subsidiary or solicit, entice, take away or employ any person employed by the Company or a Subsidiary ("**Solicitation**"). For these purposes, the Grantee's ownership of securities of a public company not in excess of one percent of any class of such securities shall not be considered to be competition with the Company or its Subsidiaries.

If the Grantee shall engage in a Competitive Activity or Solicitation, as determined by the Committee in good faith (a) all Awards (vested and unvested) then held by the Grantee shall expire as of the date that the Grantee first engaged in such Competitive Activity or Solicitation, (b) the Company shall have the right to acquire any Shares then owned by the Grantee as the result of the exercise or settlement of an Award at a price equal to the lesser of (i) the Fair Market Value of such Shares or (ii) the aggregate exercise price paid therefor by the Grantee, and (c) the Company shall have the right to require the Grantee to return to the Company any other gain (whether or not realized) the Grantee had on the exercise of any Awards granted under this Plan (that is, the amount by which, at the time of the exercise of any Award, the Fair Market Value of the Shares to be received was greater than the aggregate exercise price paid therefor by the Grantee) or upon the sale of any Shares obtained pursuant to an Award.

The restrictive covenants in this Section 13 are incorporated by reference into each Award Agreement under the Plan and are in addition to, and not in lieu of, any similar covenant or restriction by which the Grantee may otherwise be bound.

### 14. MISCELLANEOUS

#### 14.1 Securities Law Matters

(a) If the Committee deems it necessary to comply with the 1933 Act and there is not in effect a registration statement under the 1933 Act relating to the Shares to be acquired pursuant to the Award, the Committee may require a written investment intent representation by the Grantee and may require that a restrictive legend be affixed to certificates for Shares.

(b) If based upon the opinion of counsel for the Company, the Committee determines that the exercise or nonforfeiture of, or delivery of benefits pursuant to, any Award would violate any applicable provision of (1) federal or state securities law or (2) the listing requirements of any securities exchange on which are listed any of the Company's equity securities, then the Committee may postpone any such exercise, nonforfeiture or delivery, as the case may be, but the Company shall use its best efforts to cause such exercise, nonforfeiture or delivery to comply with all such provisions at the earliest practicable date.

## **14.2 Funding**

Benefits payable under the Plan to any person shall be paid directly by the Company. The Company shall not be required to fund, or otherwise segregate assets to be used for, benefits under the Plan.

## **14.3 No Employment Rights**

Neither the establishment of the Plan nor the granting of any Award shall be construed to (i) give any Grantee the right to remain employed by the Company or any of its Subsidiaries or to any benefits not specifically provided by the Plan or to receive any future Awards under the Plan, or (ii) in any manner modify the right of the Company or any of its Subsidiaries to modify, amend, or terminate any of its employee benefit plans.

## **14.4 Rights as a Stockholder**

A Grantee shall not, by reason of any Award, have any right as a stockholder of the Company with respect to the Shares which may be deliverable upon exercise or settlement of such Award until such Shares have been delivered to him. Subject to any governing rules or regulations, the Company shall issue or cause to be issued the Shares acquired pursuant to an Award and shall deliver such Shares to or for the benefit of the Grantee by means of one or more of the following: (a) by delivering to the Grantee evidence of book entry Shares credited to the account of the Grantee, (b) by depositing such Shares for the benefit of the Grantee with any broker with which the Grantee has an account relationship, or (c) by delivering such Shares to the Grantee in certificate form.

## **14.5 Nature of Payments**

Any and all grants or deliveries of Shares hereunder shall constitute special incentive payments to the Grantee and shall not be taken into account in computing the amount of salary or compensation of the Grantee for the purposes of determining any pension, retirement, death or other benefits under (i) any pension, retirement, profit sharing, bonus, life insurance or other employee benefit plan of the Company or any of its Subsidiaries or (ii) any agreement between the Company or any Subsidiary, on the one hand, and the Grantee, on the other hand, except as such plan or agreement shall otherwise expressly provide.

## **14.6 Non-uniform Determinations**

Neither the Committee's nor the Board's determinations under the Plan need be uniform and may be made by the Committee or the Board selectively among persons who receive, or are eligible to receive, Awards (whether or not such persons are similarly situated). Without limiting the generality of the foregoing, the Committee shall be entitled, among other things, to make non-uniform and selective determinations and to enter into non-uniform and selective Award Agreements as to (a) the identity of the Grantees, (b) the terms and provisions of Awards, and (c) the treatment, under Section 11, of Terminations of Employment and the treatment of Grantees under Section 12. Notwithstanding the foregoing, the Committee's interpretation of Plan provisions shall be uniform as to similarly situated Grantees.

#### **14.7 Amendment of the Plan**

The Board may from time to time in its discretion amend or modify the Plan without the approval of the stockholders of the Company, except as such stockholder approval may be required (a) to permit transactions in Shares pursuant to the Plan to be exempt from liability under Section 16(b) of the 1934 Act, (b) under the listing requirements of any securities exchange on which are listed any of the Company's equity securities, or (c) pursuant to other applicable law.

#### **14.8 Termination of the Plan**

The Plan shall terminate on the tenth anniversary of the Effective Date or at such earlier time as the Board may determine. Any termination, whether in whole or in part, shall not affect any Award or Award Agreement then outstanding under the Plan.

#### **14.9 No Illegal Transactions**

The Plan and all Awards granted pursuant to it are subject to all laws and regulations of any governmental authority which may be applicable thereto, and notwithstanding any provision of the Plan or any Award, Grantees shall not be entitled to exercise Awards or receive the benefits thereof and the Company shall not be obligated to deliver any Shares or pay any benefits to a Grantee if such exercise, delivery, receipt or payment of benefits would constitute a violation by the Grantee or the Company of any provision of any such law or regulation.

#### **14.10 No Loans**

No loans from the Company to Grantee shall be permitted under this Plan.

#### **14.11 Assignment or Transfer**

Unless the Committee shall specifically determine pursuant to Section 5.6, no Award under the Plan or any rights or interest therein shall be transferable other than by will or the laws of descent and distribution and shall be exercisable, during the Grantee's lifetime, only by the Grantee. Once awarded, the Shares received by a Grantee may be freely transferred, assigned, pledged or otherwise subjected to lien, subject to the restrictions imposed by the 1933 Act, Section 16 of the 1934 Act and the Company's insider trading policy and any holding period policy, each as amended from time to time.

#### **14.12 Beneficiary Designation**

To the extent allowed by the Committee, each Grantee under the Plan may, from time to time, name any beneficiary or beneficiaries (who may be named on a contingent or successive basis) to whom any benefit under the Plan is to be paid in case of his or her death before he or she receives any or all of such benefit. Unless the Committee determines otherwise, each such designation shall revoke all prior designations by the same Grantee, shall be in a form prescribed by the Committee, and will be effective only when filed by the Grantee in writing with the Company during the Grantee's lifetime. In the absence of any such designation, benefits remaining unpaid at the Grantee's death shall be paid to the Grantee's estate.

#### **14.13 Cost and Expenses**

The cost and expenses of administering the Plan shall be borne by the Company and not charged to any Award or to any Grantee unless the Committee otherwise determines in its sole discretion.

#### **14.14 Fractional Shares**

Fractional Shares shall not be issued or transferred under an Award, but the Committee may pay cash in lieu of a fraction or round or eliminate the fraction, in its discretion.

#### **14.15 Indemnification of Officers and Directors**

Provisions for the indemnification of officers and directors of the Company in connection with the administration of the Plan shall be as set forth in the Company's Certificate of Incorporation and Bylaws as in effect from time to time.

#### **14.16 Severability**

If all or any part of the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not serve to invalidate any portion of the Plan not declared to be unlawful or invalid. Any Section or part of a Section so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

#### **14.17 Indemnification of Committee Members**

Each person who is or shall have been a member of the Committee, or of the Board, shall be indemnified and held harmless by the Company against and from (a) any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit, or proceeding to which he or she 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 or any Award Agreement, and (b) from any and all amounts paid by him or her in settlement thereof, with the Company's approval, or paid by him or her in satisfaction of any judgment in any such claim, action, suit or proceeding against him or her, provided he or she shall give the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's Certificate of Incorporation or Bylaws, by contract, as a matter of law, or otherwise, or under any power that the Company may have to indemnify them or hold them harmless.

#### **14.18 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 the business or assets of the Company.

#### **14.19 Headings**

The headings of Articles and Sections are included solely for convenience of reference, and if there is any conflict between such headings and the text of this Plan, the text shall control.

#### **14.20 Number and Gender**

When appropriate the singular as used in this Plan shall include the plural and vice versa, and the masculine shall include the feminine.

#### **14.21 Controlling Law**

The laws of the State of Connecticut, except its laws with respect to choice of laws, shall be controlling in all matters relating to the Plan.

#### **14.22 Compliance with Laws; Clawback**

(a) The granting of Awards and the issuance, purchase and delivery of Shares pursuant to such Awards shall be conducted in compliance with all applicable laws, the respective rules and regulations promulgated thereunder, and the policies and regulations of applicable securities regulatory authorities. If the Committee determines, in its discretion, that, in order to comply with any such listing requirements, statutes, regulations or rules, certain action is necessary in relation to an Award (including forfeiture of such Award), no Award shall be granted and no Shares may be issued, purchased or delivered pursuant to such Awards, as applicable, unless such action shall have been completed in a manner satisfactory to the Committee.

(b) The Grantee's rights, payments, and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture, or recoupment as a result of any accounting restatement due to material noncompliance of the Company with any financial reporting requirements of securities laws as a result of which, and to the extent that, such reduction, cancellation, forfeiture, or recoupment is required by applicable securities laws and/or the Company's clawback policy.

(c) Notwithstanding anything in this Plan to the contrary, it is intended that any grant of an Award shall satisfy the requirements for compliance with or exemption from Section 409A of the Internal Revenue Code, to the extent applicable. The Plan and any Award shall be interpreted in a manner that is consistent with compliance with or exemption from Section 409A of the Internal Revenue Code. In the event that any Award is subject to Section 409A of the Internal Revenue Code and is otherwise payable upon a Change of Control, no such payment shall be made unless such Change of Control constitutes a "Change in Control Event" as defined in Section 1.409A-3(i)(5)(i) of the Treasury Regulations, and as set forth in Section 1.409A-3(i)(5)(v) through (vii). In the event that any Award is subject to Section 409A of the Internal Revenue Code and is payable upon termination of employment, such Award shall not be payable upon a termination of employment unless such termination of employment constitutes a "separation from service" within the meaning of Section 1.409A-1(h) of the Treasury Regulations. Notwithstanding anything in this Plan to the contrary (and unless the Award Agreement specifically provides otherwise), if a Grantee holding an Award that constitutes "deferred compensation" under Section 409A of the Internal Revenue Code is a "specified employee" for purposes of Section 409A of the Internal Revenue Code, no distribution or payment of any amount shall be made upon a "separation from service" before a date that is six months following the date of such Grantee's "separation from service" (as defined in Section 409A of the Internal Revenue Code) or, if earlier, the date of the Grantee's death.

#### **14.22 Electronic Administration**

The Company may, in its sole discretion, decide to deliver any documents related to participation in the Plan by electronic means or use an on-line or electronic system established and maintained by the Company or another third party designated by the Company for Plan participation. Any Plan requirement to provide a notice or a document in writing may be satisfied by electronic means to the extent permitted by the Company and applicable law.

**FACTSET RESEARCH SYSTEMS INC.**  
**NON-EMPLOYEE DIRECTORS' STOCK OPTION AND AWARD PLAN**  
**AS AMENDED AND RESTATED**

1. **Adoption and Purpose.** FactSet Research Systems Inc., a Delaware corporation (the "**Company**"), hereby adopts its FactSet Research Systems Inc. Non-Employee Directors' Stock Option and Award Plan, as Amended and Restated (the "**Plan**"), effective as of December 19, 2017 (the "**Effective Date**"), as an amendment and restatement of its 2008 Non-Employee Directors' Stock Option Plan, to secure for the Company and its stockholders the benefits of the incentive inherent in increased common stock ownership by the members of the Board of Directors (the "**Board**") of the Company who are not employees of the Company or any of its subsidiaries (each a "**Non-Employee Director**"). The types of awards that may be granted under the Plan are nonqualified stock options ("**Options**"), restricted shares ("**Restricted Shares**"), and restricted share units ("**Restricted Share Units**") (collectively, an "**Award**" or "**Awards**").

2. **Administration.** The Plan shall be administered by the Board. The Board shall have all the powers vested in it by the terms of the Plan, such powers to include authority (within the limitations described herein) to prescribe the form of the agreement embodying Awards made under the Plan and the power to determine the restrictions, if any, applicable to the Awards. The Board shall, subject to the provisions of the Plan, have the power to interpret the Plan and to prescribe, amend and rescind rules and regulations for the administration of the Plan as it may deem desirable. Any decisions of the Board in the administration of the Plan, as described herein, shall be final, conclusive and binding on all interested parties. The Board may authorize any one or more of their number (each, a "**Director**") or the Secretary or any other officer of the Company to execute and deliver documents on behalf of the Board. The Board hereby authorizes the Secretary to execute and deliver all documents to be delivered by the Board pursuant to the Plan. No member of the Board shall be liable for anything done or omitted to be done by such member or by any other member of the Board in connection with the Plan, except for such member's own willful misconduct or as expressly provided by statute.

3. **Shares Subject to Plan.** The stock which may be issued and sold under the Plan will be the common stock, par value \$0.01 per share, of the Company ("**Common Stock**").

Subject to adjustment as provided in Section 6, the total number of shares of Common Stock available for grant under the Plan shall not exceed 500,000 shares. The shares of Common Stock granted under the Plan may be authorized but unissued shares, reacquired shares, treasury shares, or any combination thereof.

If an outstanding Award for any reason expires or is terminated or canceled without having been exercised or settled in full, or if shares acquired pursuant to an Award subject to forfeiture or repurchase are forfeited or repurchased by the Company for an amount not greater than the grantee's purchase price, the shares allocable to the terminated portion of such Award or such forfeited or repurchased shares shall again be available for issuance under the Plan. Shares shall not be deemed to have been issued pursuant to the Plan with respect to any portion of an Award that is settled in cash. If the exercise price of an Option is paid by tender to the Company, or attestation to the ownership, of shares owned by the grantee, or by means of a net exercise, the number of shares available for issuance under the Plan shall be reduced by the gross number of shares for which the Option is exercised. Shares withheld or reacquired by the Company in satisfaction of tax withholding obligations pursuant to Awards shall not again be available for issuance under the Plan. Shares purchased in the open market with proceeds from the exercise of Options shall not be added to the limit set forth in this Section 3.

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Each share of Common Stock subject to an Option shall be counted against the limit set forth above as one (1) share. Each one (1) share subject to an Award other than Options granted pursuant to the Plan or forfeited or repurchased as described above shall be counted for purposes of the limit set forth above as two and one-half (2 ½) shares.

4. **Participants; Annual Limit.** Each Non-Employee Director shall be eligible to receive an Award under the Plan.

Notwithstanding any other provision of the Plan to the contrary, the aggregate grant date fair value (computed as of the date of grant in accordance with generally accepted accounting principles in the United States) of all Awards granted to any Non-Employee Director during any fiscal year of the Company, taken together with any cash compensation paid to such Non-Employee Director during such fiscal year, shall not exceed \$500,000.

5. **Terms and Conditions of Awards.** Each Award granted under the Plan shall be evidenced by an agreement (the “**Award Agreement**”) in such form as the Board shall prescribe from time to time in accordance with the Plan.

(a) **Options.** Option grants shall have the following terms and conditions:

(i) The Option exercise price shall be the “**Fair Market Value**” of the Common Stock on the date the Option is granted. For purposes of the Plan, Fair Market Value shall mean (1) if the Common Stock is listed on a national securities exchange, the closing price of a share of Common Stock on the date of grant (or, if not granted on a trading day, on the last preceding trading day) or, (2) if shares of Common Stock are not then listed on a national Securities exchange, the mean of the bid and asked prices for a share of Common Stock in the over-the-counter market as reported in the National Association of Securities Dealers Automatic Quotation System (NASDAQ) on that date, or, if there is no such quotation on that date, such prices on the last preceding business day on which there was a quotation; provided, however, that if the Common Stock is not so listed or traded, then the Fair Market Value shall be determined in good faith by the Board.

(ii) The Board may, from time to time, in its sole discretion, subject to the limitations of the Plan, grant Options to each Non-Employee Director and determine the number of shares to be subject to the Option.

(iii) No Option or any part of an Option shall be exercisable:

(A) after the expiration of seven years from the date the Option was granted,

(B) unless written notice of the exercise is delivered to the Company specifying the number of shares to be purchased and payment in full is made for the shares of Common Stock being acquired thereunder at the time of exercise or by a date specified by the optionee (not more than 10 business days from the date of exercise); such payment shall be made: (I) in cash or by check, (II) by tendering to the Company Common Stock owned by the person exercising the Option having a Fair Market Value equal to the cash exercise price applicable to such Option, it being understood that the Board shall determine acceptable methods for tendering Common Stock and may impose such conditions on the use of Common Stock to exercise Options as it deems appropriate, (III) by net exercise, (IV) by broker-assisted cashless exercise, or (V) by a combination of the foregoing methods; and

(C) unless the person exercising the Option has been, at all times during the period beginning with the date of grant of the Option and ending on the date of such exercise, a Director of the Company, except that if such person shall cease to be such a Director by reason of Incapacity (as defined below) or death while holding an Option that has not expired and has not been fully exercised, such person, or in the case of death, the executors, administrators, or distributees, as the case may be, may within 90 days (one year in the event of death) after the date such person ceased to be such a Director (but in no event after the Option has expired under the provisions of subparagraph 5(a)(iii)(A) above) exercise the Option (to the extent exercisable by the Director on the date such person ceased to be a Director) with respect to any shares of Common Stock as to which such person has not exercised the Option on the date the person ceased to be such a Director.

If any person who has ceased to be a Director for any reason other than death, shall die holding an Option that has not expired and has not been fully exercised, such person's executors, administrators, or distributees, as the case may be, may exercise the Option within one year of the person's death (to the extent exercisable by the decedent on his date of death) provided that in no event may the Option be exercised after it has expired pursuant to subparagraph 5(a)(iii)(A).

In the event any Option is exercised by the executors, administrators, legatees, or distributees of the estate of a deceased optionee, the Company shall be under no obligation to issue stock thereunder unless and until the Company is satisfied that the person or persons exercising the Option are the duly appointed legal representatives of the deceased optionee's estate or the proper legatees or distributees thereof.

(iv) The period during which the right to exercise, in whole or in part, an Option vests, shall be set by the Board, and the Board may determinate that an Option may not be exercised in whole or in part for a specified period after it is granted. At any time after grant of an Option, the Board may, in its sole discretion and subject to whatever terms and conditions it selects, accelerate the period during which an Option vests. Unless otherwise set forth in the Award Agreement, in the event the Non-Employee Director ceases to be a Director by reason of Incapacity or death, the total number of shares of Common Stock covered by the Option shall thereupon become fully vested and immediately exercisable.

(v) Options granted to a Non-Employee Director shall be forfeited if such Non-Employee Director shall cease to be a Director for reasons other than Incapacity or death unless the Board, in its discretion, elects that such outstanding Options shall thereupon become fully vested and immediately exercisable.

(vi) As used in this Section 5, the term “**Incapacity**” means any material physical, mental or other disability rendering the Director incapable of substantially performing his or her services hereunder that is not cured within 180 days after the first occurrence of such incapacity. In the event of any dispute between the Company and the Director as to whether he or she is incapacitated, as defined herein, the determination of whether the Director is so incapacitated shall be made by an independent physician selected by the Board and the decision of such physician shall be binding upon the Company and the Director.

(vii) Notwithstanding any other provisions of the Plan or any Award Agreement, upon the occurrence of a “**Change of Control**” (as defined in the FactSet Research Systems Inc. Stock Option and Award Plan, as Amended and Restated, and as may be amended from time to time), (i) all Options granted under the Plan which have not been exercised and which have not expired by their terms shall immediately be fully exercisable for the remainder of their respective terms, and (ii) the Board may, in its sole discretion, determine that such Options be immediately terminated in which case the optionee will be paid an amount in cash in respect of each Option equal to the difference between the Fair Market Value (as determined pursuant to Section 5(a)(i) hereof but substituting the date of the Change of Control for the grant date) of a share of Common Stock and the exercise price of such Option.

(b) **Restricted Shares and Restricted Share Units.** Subject to the terms and conditions of the Plan, the Board, at any time and from time to time, may grant Restricted Shares or Restricted Share Units to Non-Employee Directors in such amounts as the Board, in its sole discretion, shall determine.

(i) Restricted Shares and shares received in respect of Restricted Share Units may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated until the end of the applicable Period of Restriction. “**Period of Restriction**” means the period during which Restricted Shares and Restricted Share Units are subject to forfeiture and/or restrictions of transferability.

(ii) Restricted Shares and Restricted Share Units shall be subject to such restrictions as the Board, in its sole discretion, may deem advisable or appropriate, including, without limitation, any limitation on the right to vote a Restricted Share or the right to receive any dividend or other right or property, which restrictions may lapse separately or in combination at such time or times, in such installments or otherwise, as the Board may deem appropriate. The Board may also set restrictions based upon the achievement of specific performance objectives (Company-wide, divisional, or individual), applicable federal or state securities laws, or any other basis determined by the Board in its discretion, and may require recipients of Restricted Shares or Restricted Share Units to pay a stipulated purchase price for such Restricted Shares or Restricted Share Units.

(iii) Any Restricted Share granted under the Plan may be evidenced in such manner as the Board may deem appropriate including, without limitation, book entry registration or issuance of a stock certificate or certificates. In the event that any stock certificate is issued in respect of Restricted Shares granted under the Plan, such certificate shall be registered in the name of the grantee and shall bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Shares.

(iv) Except as otherwise determined by the Board, upon termination of service with the Company for any reason during the Period of Restriction, all Restricted Shares and all Restricted Share Units still, in either case, subject to restriction shall be forfeited and reacquired at no cost by the Company; provided, however, that the Board may, in its sole discretion, when it finds that a waiver may be in the best interests of the Company, waive in whole or in part any remaining restrictions with respect to Restricted Shares or Restricted Share Units.

(v) Restricted Share Units that become payable in accordance with their terms and conditions shall be settled in cash, shares, or a combination of cash and shares, as determined by the Board.

(vi) During the Period of Restriction, Restricted Shares may not be sold, assigned, transferred or otherwise disposed of, or mortgaged, pledged or otherwise encumbered. In order to enforce the limitations imposed upon Awards of Restricted Shares, the Board may (a) cause a legend or legends to be placed on any certificates relating to Restricted Shares subject to an Award, and/or (b) issue "stop transfer" instructions, as it deems necessary or appropriate.

(vii) During the Period of Restriction, grantees who hold Restricted Shares shall have the right to dividends, however, the dividends will be subject to the same vesting schedule as the underlying shares. Grantees who hold Restricted Shares shall have the right to vote such shares as the record owner thereof. During the Period of Restriction, grantees who hold Restricted Share Units will have the right to dividend equivalent payments only if provided by the Board in the Award Agreement, and any such dividend equivalents will be subject to the same vesting schedule as the underlying Restricted Share Units. Grantees who hold Restricted Share Units shall not have the right to vote the underlying shares until shares are issued to the grantee to settle the Award.

(viii) The Board may allow deferral of payment of an Award subject to and in accordance with Section 409A of the Internal Revenue Code.

(ix) Subject to the requirements and limitations of Section 409A of the Internal Revenue Code, if applicable, except as otherwise provided in an Award Agreement, in the event of a Change of Control, each outstanding Restricted Share and Restricted Share Unit shall become vested in full immediately before the occurrence of such Change of Control, and contingent thereon, and shall be settled effective immediately prior to the time of consummation of the Change of Control.

#### **6. Adjustment in the Event of Certain Changes in Stock.**

(a) If there is any change in the number of outstanding shares of Common Stock by reason of any stock dividend, stock split, recapitalization, combination, exchange of shares, merger, consolidation, liquidation, split-up, spin-off or other similar change in capitalization, any distribution to common shareholders, including a rights offering, other than cash dividends, or any like change, then the number of shares of Common Stock available for Awards, the number of such shares covered by outstanding Awards, and the exercise price per share of Options shall be proportionately adjusted by the Board to reflect such change or distribution; provided, however, that any fractional shares resulting from such adjustment shall be eliminated.

(b) In the event of a change in the Common Stock of the Company as presently constituted, the shares resulting from any such change shall be deemed to be the Common Stock within the meaning of the Plan.

(c) In the event of a reorganization, recapitalization, merger, consolidation, acquisition of property or stock, extraordinary dividend or distribution (other than as covered by Section 6(a) hereof), separation or liquidation of the Company, or any other event similarly affecting the Company, the Board shall have the right, but not the obligation, notwithstanding anything to the contrary in this Plan, to provide that outstanding Options granted under this Plan shall be (i) canceled in respect of a cash payment or the payment of securities or property, or any combination thereof, with a per share value determined by the Board in good faith to be equal to the value received by the stockholders of the Company in such event in the respect of each share of Common Stock, with appropriate deductions of exercise prices, or (ii) adjusted to represent Options to receive cash, securities, property, or any combination thereof, with a per share value determined by the Board in good faith to be equal to the value received by the stockholders of the Company in such event in respect of each share of Common Stock, at such exercise prices as the Board in its discretion may determine is appropriate.

(d) To the extent that the foregoing adjustments relate to stock or securities of the Company, such adjustments shall be made by the Board, whose determination in that respect shall be final, binding and conclusive.

7. **Nonexclusive Plan.** Neither the adoption of the Plan by the Board nor the submission of the Plan to the stockholders of the Company for approval shall be construed as creating any limitations on the power of the Board to adopt such other incentive arrangements as it may deem desirable, including, without limitation, the granting of stock options or other awards other than under the Plan, and such arrangements may be either generally applicable or applicable only in specific cases.

8. **Section 16 Persons.** Transactions under the Plan are intended to comply with all applicable conditions of Rule 16b-3 or its successors under Section 16 of the Securities Exchange Act of 1934, as amended. To the extent any provision of the Plan or action by the Board fails to so comply, it shall be deemed null and void, to the extent permitted by law and deemed advisable by the Board.

9. **Nonassignability.** Awards may not be transferred other than by will or by the laws of descent and distribution; provided, however, that an Option may be transferred by gift to any member of the Non-Employee Director's immediate family or to a trust for the benefit of one or more of such immediate family members, if approved by the Board. During a Non-Employee Director's lifetime, Options granted to a Non-Employee Director may be exercised only by such Non-Employee Director or by his or her guardian or legal representative unless the Option has been transferred in accordance with the preceding sentence, in which case it shall be exercisable only by such transferee. For purposes of this Section 9, "immediate family" shall mean the optionee's spouse, children, and grandchildren.

10. **Amendment or Discontinuance.** The Plan may be amended or discontinued by the Board without the approval of the stockholders of the Company, except that stockholder approval shall be required for any amendment that would increase (except as provided in Section 6 hereof) the maximum number of shares of Common Stock for which Awards may be granted under the Plan. No termination, modification or amendment of the Plan may, without the consent of the Director to whom any Award shall theretofore have been granted, adversely affect the rights of such Director (or his or her transferee) under such Award.

11. **Limitation of Rights.** Neither the adoption of the Plan nor any action of the Board shall be deemed to give any Non-Employee Director any right to be granted an Award or any other rights except as may be evidenced by an Award Agreement, or any amendment thereto, duly authorized by the Board and executed on behalf of the Company, and then only to the extent and on the terms and conditions expressly set forth therein.

12. **Term.** The Plan shall terminate on the tenth anniversary of the Effective Date or at such earlier time as the Board may determine. The Board may not grant Awards under the Plan after such termination date, but Awards granted before that date will continue to be effective in accordance with their terms.

13. **Effectiveness; Approval of Stockholders.** The Plan shall take effect on the date on which the Plan is adopted by the Board, but its effectiveness and the exercise of any Options shall be subject to the approval of the holders of a majority of the voting shares of the Company, which approval must occur within twelve months after the date on which the Plan is adopted by the Board.

14. **Withholding Taxes.** If the Board shall so require, as a condition of exercise, each Non-Employee Director shall agree that:

(a) no later than the date of exercise of any Option, or vesting or settlement of any other Award, such Non-Employee Director will pay to the Company or make arrangements satisfactory to the Board regarding payment of any Federal, state or local taxes of any kind required by law to be withheld upon the exercise of such Option or vesting or settlement of any other Awards (any such tax, a “**Withholding Tax**”); and

(b) the Company shall, to the extent permitted or required by law, have the right to deduct from any payment of any kind otherwise due to such Non-Employee Director any such Withholding Tax.

15. **No Illegal Transactions.** The Plan and all Awards granted pursuant to it are subject to all laws and regulations of any governmental authority which may be applicable thereto. Notwithstanding any provision of the Plan or any Award Agreement, grantees shall not be entitled to exercise Options or receive the benefits of any Award and the Company shall not be obligated to deliver any Common Stock or pay any benefits to grantee if such exercise, delivery, receipt or payment of benefits would constitute a violation by the grantee or the Company of any provision of any such law or regulation.

16. **Severability.** If all or any part of the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not serve to invalidate any portion of the Plan not declared to be unlawful or invalid. Any Section or part of a Section so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

17. **Headings.** The headings of Sections are included solely for convenience of reference, and if there is any conflict between such headings and the text of this Plan, the text shall control.

18. **Number and Gender.** When appropriate the singular as used in this Plan shall include the plural and vice versa, and the masculine shall include the feminine.

19. **Electronic Administration.** The Company may, in its sole discretion, decide to deliver any documents related to participation in the Plan by electronic means or use an on-line or electronic system established and maintained by the Company or another third party designated by the Company for Plan participation. Any Plan requirement to provide a notice or a document in writing may be satisfied by electronic means to the extent permitted by the Company and applicable law.

20. **Controlling Law.** The laws of the State of Connecticut, except its laws with respect to choice of laws, shall be controlling in all matters, relating to the Plan.

**FACTSET RESEARCH SYSTEMS INC.  
EMPLOYEE STOCK PURCHASE PLAN  
AS AMENDED AND RESTATED**

**ARTICLE I  
ESTABLISHMENT**

FactSet Research Systems Inc. (the “**Company**”) hereby amends and restates its FactSet Research Systems Inc. Employee Stock Purchase Plan, as Amended and Restated (the “**Plan**”), effective as of December 19, 2017 (the “**Effective Date**”).

PURPOSE

The primary purpose of the Plan is to provide a method whereby employees of the Company or any Designated Subsidiary (as defined herein), will have an opportunity to acquire a proprietary interest in the Company through the purchase of shares of Common Stock. The Plan is also established to help promote the overall financial objectives of the Company’s stockholders by promoting those persons participating in the Plan to achieve long-term growth in stockholder equity. The Plan is intended to qualify as an “employee stock purchase plan” under Section 423 of the Internal Revenue Code of 1986, as amended (the “**Code**”). The provisions of the Plan shall be construed so as to extend and limit participation in a manner consistent with the requirements of Section 423 of the Code and the regulations promulgated thereunder.

**ARTICLE II  
DEFINITIONS**

The following words and phrases, as used herein, shall have the meanings indicated unless the context clearly indicates to the contrary:

2.01 “**Account**” shall mean the bookkeeping account established on behalf of a Participant to which (i) is credited all contributions paid for the purpose of purchasing Common Stock under the Plan, (ii) is credited all shares of Common Stock purchased with such contributions, and (iii) shall be charged all distributions of Common Stock, or withdrawals of contributions, pursuant to the Plan. Such Account shall remain unfunded as described in Section 8.11 of the Plan.

2.02 “**Affiliate**” shall mean, with respect to any Person, any other Person that, directly or indirectly, controls, is controlled by, or is under common control with, such Person. Any “Relative” (for this purpose, “**Relative**” means a spouse, child, parent, parent of spouse, sibling or grandchild) of an individual shall be deemed to be an Affiliate of such individual for this purpose. Neither the Company nor any Person controlled by the Company shall be deemed to be an Affiliate of any holder of Common Stock.

2.03 “**Agreement**” shall mean, either individually or collectively, any subscription, enrollment and/or withholding agreement, in the form prescribed by the Committee, entered into pursuant to the Plan between the Company or a Designated Subsidiary and a Participant. Such Agreement shall be an authorization for the Company or a Designated Subsidiary to withhold amounts from such Participant’s Compensation, at the Contribution Rate specified in the Agreement, to be applied to purchase Common Stock.

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2.04 “**Beneficiary**” shall mean the person specified by a Participant in his or her most recent written designation that is filed with the Plan Administrator (or designee) to receive any benefits under the Plan in the event of such Participant’s death, in accordance with Section 8.01.

2.05 “**Board**” shall mean the Board of Directors of the Company.

2.06 “**Change of Control**” shall have the meaning given that term in the FactSet Research Systems Inc. Stock Option and Award Plan, as Amended and Restated, as may be amended from time to time.

2.07 “**Commission**” shall mean the Securities and Exchange Commission or any successor entity or agency.

2.08 “**Committee**” shall mean the Compensation and Talent Committee of the Board as described in Article VII.

2.09 “**Compensation**” shall mean, for the relevant period, the base compensation (salary or wages) paid in cash to a Participant by the Company and/or a Designated Subsidiary. Compensation shall not include bonuses or other incentive-type payments.

2.10 “**Common Stock**” shall mean shares of common stock of the Company, par value \$.01 per share, or the common stock of any successor to the Company, which is designated for the purposes of the Plan.

2.11 “**Contribution Rate**” shall be that rate of contribution of Compensation to the Plan stated in the Agreement, subject to determination in accordance with Article IV.

2.12 “**Designated Subsidiary**” shall mean any Subsidiary that has been designated by the Committee from time to time in its sole discretion as eligible to participate in the Plan.

2.13 “**Eligible Employee**” shall mean any individual who is employed in the United States (unless otherwise required by law or the Committee determines otherwise) on a full-time or part-time basis by the Company or a Designated Subsidiary on an Enrollment Date, except that the Committee in its sole discretion may exclude: (i) employees whose customary employment is not more than 20 hours per week; (ii) employees whose customary employment is for not more than five months in any calendar year; and (iii) employees who are considered to be a highly compensated employee of the Company or Designated Subsidiary within the meaning of Section 414(q) of the Code. As of the Effective Date, and unless and until the Committee determines otherwise, only those employees described in Section 2.13(i) and (ii) are excluded from the class of Eligible Employees.

2.14 “**Enrollment Date**” shall mean the first day of each Offering Period.

2.15 “**Exchange Act**” shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated by the Commission thereunder.

2.16 “**Exercise Date**” shall mean the last day of each Offering Period.

2.17 “**Fair Market Value**” of a share of Common Stock as of a given date shall mean: (i) if the Common Stock is listed or admitted to trading on The New York Stock Exchange or on another established stock exchange (including, for this purpose, the Nasdaq National Market), the closing sale price for a share of the Common Stock on the composite tape for such exchange (or in Nasdaq National Market trading, if applicable) as reported in The Wall Street Journal (or, if not so reported, such other nationally recognized reporting source as the Committee shall select) for such date, or, if no such price is reported for such date, the most recent day for which such price is available shall be used; (ii) if the Common Stock is not then listed or admitted to trading on such a stock exchange, the mean of the closing representative bid and asked prices for the Common Stock on such date as reported by the Nasdaq Small Cap Market or, if not so reported, by the OTC Bulletin Board (or any successor or similar quotation system regularly reporting the market value of the Common Stock in the over-the-counter market), or, if no such prices are reported for such date, the most recent day for which such prices are available shall be used; or (iii) in the event neither of the valuation methods provided for in clauses (i) and (ii) above are practicable, the fair market value of a share of Common Stock determined by such other reasonable valuation method as the Committee shall, in its discretion, select and apply in good faith as of such date.

2.18 “**Nominee**” shall mean the custodian, if any, designated by the Company for the Accounts held under the Plan.

2.19 “**Offering Period**” shall mean a period as determined by the Committee during which a Participant’s Option may be exercised and the accumulated value of the Participant’s Account may be applied to purchase Common Stock. Unless otherwise specified by the Committee, Offering Periods shall begin on the first business day of each fiscal quarter of the Company and end on the last business day of such fiscal quarter. As of the date of adoption of the Plan by the Board, the fiscal quarters of the Company commence on March 1, June 1, September 1 and December 1. The duration of Offering Periods may be changed by the Committee or the Board pursuant to Section 3.06 or 5.04.

2.20 “**Option**” shall mean the right to purchase the number of shares of Common Stock specified in accordance with the Plan at a price and for a term fixed in accordance with the Plan, and subject to such other limitations and restrictions as may be imposed by the Plan or the Committee in accordance with the Plan.

2.21 “**Option Price**” shall mean an amount equal to at least 85% of the Fair Market Value of a share of Common Stock on the Enrollment Date or Exercise Date, whichever is lower.

2.22 “**Participant**” shall mean an Eligible Employee who satisfies the eligibility conditions of Article III, and to whom an Option has been granted by the Committee under the Plan.

2.23 “**Person**” shall mean “person” as such term is used for purposes of Section 13(d) or 14(d) of the Exchange Act, including, without limitation, any individual, corporation, limited liability company, partnership, trust, unincorporated organization, government or any agency or political subdivision thereof, or any other entity or any group of Persons.

2.24 “**Plan Administrator**” shall mean the person serving as the Director of Human Resources of the Company, unless the Committee determines otherwise.

2.25 “**Plan Year**” shall mean the twelve (12) consecutive month period commencing on September 1 and ending on the following August 31. The Committee may at any time designate another period as the Plan Year.

2.26 “**Reserves**” shall mean the number of shares of Common Stock covered by each Option under the Plan that have not yet been exercised and the number of shares of Common Stock that have been authorized for issuance under the Plan but not yet placed under an Option.

2.27 “**Securities Act**” shall mean the Securities Act of 1933, as amended, and the rules and regulations promulgated by the Commission thereunder.

2.28 “**Subsidiary**” shall mean any present or future corporation, domestic or foreign, which is or would be a “subsidiary corporation,” as defined under Section 424(f) of the Code, of the Company.

2.29 “**Trading Day**” shall mean a day on which national stock exchanges are open for trading.

### **ARTICLE III ELIGIBILITY AND PARTICIPATION**

3.01 Initial Eligibility. Any individual who becomes employed with the Company or a Designated Subsidiary, and is otherwise an Eligible Employee, may participate in the Plan starting with the first Offering Period that begins after the date the individual completes ninety (90) days of continuous service with the Company or the Designated Subsidiary. The Eligible Employee must enroll by the deadline set by the Company to participate in any Offering Period.

3.02 Leave of Absence. For purposes of the Plan, an individual’s employment relationship is still considered to be continuing intact while such individual is on sick leave, or other leave of absence approved by the Committee or the Participant’s supervisor; provided, however, that if the period of leave of absence exceeds ninety (90) days and the individual’s right to reemployment is not guaranteed either by statute or by contract, the employment relationship shall be deemed to have terminated on the ninety-first (91st) day of such leave.

3.03 Eligibility Restrictions. Notwithstanding any provisions of the Plan to the contrary, no employee of the Company or a Designated Subsidiary shall be granted an Option under the Plan:

(a) if, immediately after the Option is granted, applying the rules under Section 424(d) of the Code to determine Common Stock ownership, such employee would own, immediately after the Option is granted, five percent (5%) or more of the total combined voting power or value of all classes of stock of the Company or any Subsidiary; or

(b) which permits such employee’s rights to purchase stock under the Plan and any other employee stock purchase plans (excluding, for this purpose, any of the Company’s stock option plans) of the Company or any Subsidiary to accrue at a rate that exceeds \$25,000 (or such other amount as may be adjusted from time to time under applicable provisions of the Code or regulations promulgated thereunder) in Fair Market Value of Common Stock (determined at the time such Option is granted) for each calendar year in which such Option is outstanding.

3.04 Participation. (a) An Eligible Employee may commence participation by enrolling and completing an Agreement authorizing payroll deductions and submitting it to the Company or representative designated by the Company (including a third-party administrator designated by the Company) in such manner prescribed by the Company by the deadline set by the Company prior to the applicable Enrollment Date. Such an Eligible Employee is referred to as a Participant.

(b) Any payroll deductions for a Participant shall commence on the first payroll date following the Enrollment Date and shall end on the last payroll date in the Offering Period to which such authorization is applicable, unless sooner terminated by the Participant as provided in Article VI. Unless the Participant withdraws from the Plan, the Participant's employment terminates, or the Participant becomes ineligible to participate in the Plan, the Participant will automatically continue to participate in subsequent Offering Periods.

3.05 Option Grant. On the Enrollment Date of each Offering Period, each Participant participating in the Offering Period shall be granted an Option to purchase on the Exercise Date of such Offering Period (at the appropriate Option Price) a number of shares of Common Stock (which may include fractional shares, as determined by the Committee) as determined by dividing the particular Participant's payroll deductions that have accumulated prior to such Exercise Date and retained in such Participant's Account as of that Exercise Date by the appropriate Option Price, subject, however, to the limitations described in this Section and in the Plan.

Except as otherwise provided below, on the Enrollment Date of each Offering Period, the maximum number of whole shares of Common Stock that may be subject to the Option shall be determined by dividing the Dollar Limit (defined herein) by the Fair Market Value of a share of Common Stock on such Enrollment Date. For the purposes of this Section, the "**Dollar Limit**" shall be determined by multiplying \$2,083.33 by the number of months (rounded down to the nearest whole month) in the Offering Period and rounding down to the nearest whole dollar. The Committee may, in its discretion and prior to the Enrollment Date of any Offering Period, (i) change the method of, or any of the foregoing factors in, determining the number of shares of Common Stock subject to Options to be granted on such Enrollment Date, or (ii) specify a maximum aggregate number of shares that may be purchased by all Participants in an Offering Period or on any Exercise Date. No Option shall be granted on an Enrollment Date to any person who is not, on such Enrollment Date, an Eligible Employee.

Such purchase of shares of Common Stock shall also be subject to the limitations under Sections 3.03 and 3.09. Exercise of the Option shall occur as provided in Section 3.07, unless the Participant has withdrawn as provided in Article VI. The Option shall expire on the last day of the Offering Period. The Committee may determine that there shall be no Options granted under the Plan for any particular Plan Year.

3.06 Offering Period. The Plan shall be implemented by consecutive Offering Periods of Common Stock. Each Agreement shall specify the Offering Period for which the Option is granted, which shall be determined by the Committee in accordance with the Plan. The Committee shall have the authority to change the duration of Offering Periods, including the commencement dates thereof, with respect to future offerings without approval of the Company's stockholders. Under such circumstances, any change to the Offering Periods shall be announced at least ten (10) days prior to the scheduled beginning of the initial Offering Period to be affected. In no event, however, shall an Offering Period extend beyond the period permitted under Section 423(b)(7) of the Code.

3.07 Exercise of Option. Unless a Participant provides written notice to the Company or representative designated by the Company (including a third-party administrator designated by the Company), or withdraws from the Plan as provided in Article VI, his or her Option for the purchase of shares shall be exercised automatically on the Exercise Date, and the maximum number of shares subject to the Option (which may include fractional shares, as determined by the Committee) shall be purchased for such Participant at the applicable Option Price, using the accumulated payroll deductions in his or her Account, subject to the limitations under Sections 3.03 and 3.09. If fractional shares cannot be purchased, any payroll deductions accumulated in an Account that are not sufficient to purchase a full share of Common Stock shall be retained in the Account for the subsequent Offering Period, subject to earlier withdrawal by the Participant as provided in Article VI. Any other monies remaining in a Participant's Account after the Exercise Date shall be returned to the Participant or his or her Beneficiary in cash, without interest. During a Participant's lifetime, such Participant's Option is exercisable only by such Participant.

3.08 Account/Delivery of Stock/Voting and Tendering Rights/Dividends. (a) As of the Exercise Date with respect to each Offering Period, the amount then in a Participant's Account shall be applied to the purchase of the number of shares of Common Stock determined by dividing such amount by the applicable Option Price. The shares of Common Stock purchased on behalf of a Participant shall initially be credited to a book entry account established by the Company in the name of the Participant or shall be registered in the name of a Nominee, as the Company shall determine in its discretion. Stock certificates shall not be issued to a Participant for the Common Stock held on his or her behalf under the Plan, but all rights accruing to an owner of record of such Common Stock, including, without limitation, voting and tendering rights, shall belong to the Participant for whose Account such Common Stock is held.

(b) A Participant may, at any time, direct the sale of some or all of the shares of Common Stock allocated to the Participant's Account by providing instructions in such manner designated by the Plan Administrator for such purpose. The proceeds of any sale of shares of Common Stock will be paid to the Participant net of all applicable withholding taxes and transaction costs. The Plan Administrator may establish procedures as to the timing and permitted frequency of such sales by Participants. Unless otherwise determined by the Committee or Plan Administrator, no participant shall have the right to have issued to him or her, prior to termination of employment with the Company or a Designated Subsidiary, a certificate or certificates for some or all of the full shares of Common Stock previously purchased on his or her behalf under the Plan; provided, however, that a Participant shall have the right, upon written request to the Plan Administrator, to receive a certificate or certificates for some or all of the full shares of Common Stock previously purchased on his or her behalf under the Plan to the extent such shares have been held in custody under the Plan, on behalf of the Participant, until the later of (i) two years from the date of the commencement of the Offering Period in respect of which such shares were purchased and (ii) eighteen months from the date of purchase of such shares. In the event a Participant terminates his or her Account, any fractional share held in the Account will be paid to the Participant in cash.

(c) Upon the termination of the Plan pursuant to Section 8.06, any full shares of Common Stock purchased for the benefit of any Participant and held under the Plan shall be transferred to and registered in the name of each such Participant as soon as administratively practicable.

(d) Each Participant (or, in the event of his or her death, his or her Beneficiary) is entitled to direct the Company (or, if applicable, the Nominee) as to the manner in which any shares of Common Stock held on behalf of such Participant are to be voted. Shares of Common Stock as to which the Company (or the Nominee) shall not have received timely written voting directions by a Participant shall be voted proportionately with shares of Common Stock as to which directions by Participants were so received. Each Participant (or, in the event of his or her death, his or her Beneficiary) is also entitled to direct the Company (or the Nominee) in writing as to the manner in which to respond to a tender or exchange offer with respect to shares of such Common Stock, and the Company (or the Nominee) shall respond in accordance with such directions. If the Company (or the Nominee) shall not have received timely written directions from a Participant as to the response to such offer, the Company (or the Nominee) shall not tender or exchange any shares of Common Stock allocated to such Participant's Account.

(e) By completing enrollment in the manner required by the Company, a Participant shall have authorized the Company (or, if applicable, the Nominee) to receive and collect all cash dividends or other distributions paid with respect to shares of Common Stock held on the Participant's behalf and to use such funds to purchase additional shares of Common Stock on behalf of the Participant. If fractional shares cannot be purchased, any dividends accumulated in an Account that are not sufficient to purchase a full share of Common Stock on an Exercise Date shall be retained in the Account for the subsequent Offering Period. The cash value of any distribution in property shall be determined by the Committee. Any stock dividend on shares of Common Stock shall be held under the Plan for the benefit of the Participant on whose behalf the shares of Common Stock giving rise to the dividend are held. The Company (or, if applicable, the Nominee) shall distribute to any Participant, as soon as practical, any dividends received on shares of Common Stock, if the maximum share limitation set forth in Section 3.03 prevent further issuances of such shares. A Participant who elects to hold shares of Common Stock previously held under the Plan in his or her own name will cease to have the benefit of this Section 3.08(e) with respect to such shares when they are registered in his or her own name.

(f) The Committee will require a Participant or his or her Beneficiary to give prompt written notice to the Company concerning any disposition of shares of Common Stock received upon the exercise of such Participant's Option within: (i) two (2) years from the date of granting of such Option to such Participant, (ii) one (1) year from the transfer of such shares of Common Stock to such Participant, or (iii) such other period as the Committee may from time to time determine.

3.09 Withholding. At the time an Option is exercised, or at the time some or all of the Common Stock that is issued under the Plan is disposed of, the Company may withhold from any Compensation or other amount payable to the applicable Participant, or require such Participant to remit to the Company (or make other arrangements satisfactory to the Company, as determined in the Committee's discretion, regarding payment to the Company of), the amount necessary for the Company to satisfy any Federal, state or local taxes required by law to be withheld with respect to the shares of Common Stock subject to such Option or disposed of, as a condition to delivery of any certificate or certificates for any such shares of Common Stock. Whenever under the Plan payments are to be made in cash, such payments shall be made net of an amount sufficient to satisfy any Federal, state or local tax or withholding obligations with respect to such payments.

#### **ARTICLE IV PAYROLL DEDUCTIONS**

4.01 Contribution Rate. (a) At the time a Participant enrolls, he or she may elect to have payroll deductions made on each payday during the Offering Period, and such Contribution Rate shall be a minimum of one percent (1%) and a maximum of ten percent (10%) (in whole percentages) of the Participant's Compensation in effect on each payroll period during the Offering Period (subject to Section 4.01(b)), unless the Committee determines otherwise in a manner applicable uniformly to all Participants. Participants may not make any separate cash payments outside payroll deductions under the Plan except as otherwise provided in Section 5.04(d) in the event of a Change of Control.

(b) A Participant may discontinue his or her participation in the Plan as provided in Article VI, or may elect to decrease (but not increase) the rate of his or her payroll deductions during the Offering Period in the manner prescribed by the Company to authorize a change in his or her Contribution Rate. Such election by the Participant to decrease his or her Contribution Rate shall only be permitted once during each Offering Period. The Committee may, in its discretion, in a fair and equitable manner, limit the number of Participants who change their Contribution Rate during any Offering Period. Any such change in Contribution Rate accepted by the Company or representative designated by the Company (including a third-party administrator designated by the Company) shall be effective as soon as practicable after receipt of the new Agreement authorizing the new Contribution Rate. A Participant's authorization to change his or her Contribution Rate shall remain in effect for successive Offering Periods unless terminated as provided in Article VI. A Participant may increase his or her Contribution Rate by filing a new Agreement with the Company or representative designated by the Company (including a third-party administrator designated by the Company) to be effective with the next Offering Period, so long as it is received by the deadline set by the Company for receipt before the Enrollment Date.

(c) Notwithstanding the foregoing provisions of this Section 4.01, the Committee may decrease a Participant's Contribution Rate, but not below zero percent (0%), at any time during an Offering Period to the extent necessary to comply with Section 423(b)(8) of the Code, Sections 3.03 or 3.05 of the Plan, or as a result of a hardship distribution from the Company's 401(k) plan. To the extent necessary in such case, payroll deductions shall recommence at the rate provided in such Participant's Agreement at the beginning of the first Offering Period that is scheduled to begin in the following Plan Year, unless the Participant withdraws from the Plan in accordance with Article VI, or, in the case of a hardship distribution from the Company's 401(k) plan, when permitted pursuant to that plan.

4.02 Participant Account. All payroll deductions made for a Participant shall be credited to the Participant's Account under the Plan.

4.03 Interest. No interest shall accrue on the payroll deductions of a Participant under the Plan. In addition, no interest shall be paid on any and all money that is distributed to a Participant, or his or her Beneficiary, pursuant to the provisions of Sections 6.01 and/or 6.03.

## **ARTICLE V COMMON STOCK**

5.01 Shares Provided. (a) The maximum number of shares of Common Stock that may be issued under the Plan shall be 1,000,000 shares. This number is subject to an adjustment upon any changes in capitalization of the Company as provided in Section 5.04.

(b) The Committee may determine, in its sole discretion, to include in the number of shares of Common Stock available under the Plan any shares of Common Stock that cease to be subject to an Option or any shares subject to an Option that terminates without issuance of shares of Common Stock actually being made to the Participant.

(c) If the number of shares of Common Stock that Participants become entitled to purchase under the Plan is greater than the shares of Common Stock offered in a particular Offering Period or remaining available under the Plan, the available shares of Common Stock shall be allocated by the Committee among such Participants in such manner as the Committee determines is fair and equitable.

5.02 Participant Interest. The Participant shall have no interest as a shareholder, including, without limitation, voting or dividend rights, with respect to shares of Common Stock covered by his or her Option until such Option has been exercised in accordance with the Plan.

5.03 Restriction of Shares Upon Exercise. The Committee may, in its discretion, require as conditions to the exercise of any Option that the shares of Common Stock reserved for issuance upon the exercise of the Option shall have been duly listed upon a stock exchange, and that either:

(a) a registration statement under the Securities Act with respect to the shares shall be effective, or



(b) the Participant shall have represented at the time of purchase, in form and substance satisfactory to the Company, that it is his or her intention to purchase the shares for investment and not for resale or distribution.

5.04 Changes in Capital. (a) Subject to any required action by the shareholders of the Company, upon changes in the outstanding Common Stock by reason of a stock split, reverse stock split, stock dividend, combination or exchange of shares, merger, recapitalization, consolidation, corporate separation or division of the Company (including, but not limited to, a split-up, spin-off, split-off or distribution to Company stockholders other than a normal cash dividend), reorganization, reclassification, or increase or decrease in the number of shares of capital stock of the Company effected without receipt of full consideration therefor, or any other similar change affecting the Company's capital structure, the Committee shall make appropriate adjustments, in its discretion, to, or substitute, as applicable, the number, class and kind of shares of stock available for Options under the Plan, outstanding Options and the Reserves, the maximum number of shares that a Participant may purchase per Offering Period, the Option Prices of outstanding Options and any other characteristics or terms of the Options or the Plan as the Committee shall determine are necessary or appropriate to reflect equitably the effects of such changes to the Participants; provided, however, that any fractional shares resulting from any such adjustment may be eliminated, if so determined by the Committee, by rounding to the next lower whole number of shares with appropriate payment for such fractional shares as shall be reasonably determined by the Committee. Notice of any such adjustment shall be given by the Committee to each Participant whose Option has been adjusted and such adjustment, whether or not such notice has been given, shall be effective and binding for all purposes of the Plan.

(b) The existence of the Plan and any Options granted hereunder shall not affect in any way the right or power of the Board or the shareholders of the Company to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, any merger or consolidation of the Company or a Subsidiary, any issue of debt, preferred or prior preference stock ahead of or affecting Common Stock, the authorization or issuance of additional shares of Common Stock, the dissolution or liquidation of the Company or any Subsidiary, any sale or transfer of all or part of the Company's or a Subsidiary's assets or business or any other corporate act or proceeding.

(c) The Board may at any time terminate an Offering Period then in progress and provide, in its discretion, that Participants' then outstanding Account balances shall be used to purchase shares of Common Stock pursuant to Article III or returned to the applicable Participants.

(d) In the event of a Change of Control, the Committee may, in its discretion:

(i) permit each Participant to make a single sum payment with respect to his or her outstanding Option before the Exercise Date equal to the amount the Participant would have contributed as determined by the Committee for the payroll periods remaining until the Exercise Date, and provide for termination of the Offering Period then in progress and purchase of shares pursuant to Article III; or

(ii) provide for payment in cash to each Participant of the amount standing to his or her Account plus an amount equal to the highest value of the consideration to be received in connection with such transaction for one share of Common Stock, or, if higher, the highest Fair Market Value of the Common Stock during the 30 consecutive Trading Days immediately prior to the closing date or expiration date of such transaction, less the Option Price of the Participant's Option (determined for all purposes of this Section 5.04(d)(ii) using such closing or termination date as the Exercise Date), multiplied by the number of full shares of Common Stock that could have been purchased for such Participant immediately prior to the Change of Control with the amount standing to his or her Account at the Option Price, and that all Options so paid shall terminate.

## **ARTICLE VI WITHDRAWAL**

6.01 General. By written notice to the Company or representative designated by the Company (including a third-party administrator designated by the Company), at any time prior to the last day of any particular Offering Period, a Participant may elect to withdraw all of the accumulated payroll deductions in his or her Account at such time. All of the accumulated payroll deductions credited to such withdrawing Participant's Account shall be paid to such Participant promptly after receipt of his or her written notice of withdrawal. In addition, upon the Participant's written notice of withdrawal, the Participant's Option for the Offering Period shall be automatically terminated, and no further payroll deductions for the purchase of shares on behalf of such Participant shall be made for such Offering Period. If a Participant withdraws from an Offering Period, payroll deductions shall not resume at the beginning of the succeeding Offering Period unless the Participant re-enrolls in the manner and by the deadline prescribed by the Company.

6.02 Effect on Subsequent Participation. A Participant's withdrawal from an Offering Period shall not have any effect upon his or her eligibility to participate in any similar plan that may hereafter be adopted by the Company or a Subsidiary or in succeeding Offering Periods that commence after the termination of the Offering Period from which the Participant withdraws.

6.03 Termination of Employment. Upon termination of employment as an Eligible Employee, for any reason, a Participant shall be deemed to have elected to withdraw from the Plan and the payroll deductions credited to such Participant's Account during the Offering Period but not yet used to exercise the Option shall be returned to such Participant, or, in the case of a Participant's death, the payroll deductions credited to such deceased Participant's Account shall be paid to his or her Beneficiary or Beneficiaries, and the Participant's Option shall be automatically terminated. A transfer of a Participant's employment between or among the Company and any Designated Subsidiary or Designated Subsidiaries shall not be treated as a termination of employment for purposes of the Plan. Upon the termination of employment of a Participant with the Company or a Designated Subsidiary, all shares of Common Stock then credited to the Participant's Account will be registered in his or her own name and distributed to him or her.

**ARTICLE VII  
ADMINISTRATION**

7.01 Generally. The Plan shall be administered by the Compensation Committee of the Board. Notwithstanding the foregoing, the Board, in its absolute discretion, may at any time and from time to time exercise any and all rights, duties and responsibilities of the Committee under the Plan, including, but not limited to, establishing procedures to be followed by the Committee, except with respect to any matters which under any applicable law, regulation or rule are required to be determined in the sole discretion of the Committee. If and to the extent that no Committee exists which has the authority to administer the Plan, the functions of the Committee shall be exercised by the Board. In addition, the Committee shall have discretionary authority to designate, from time to time, without approval of the Company's stockholders, those Subsidiaries that shall be Designated Subsidiaries, the employees of which are eligible to participate in the Plan.

7.02 Authority of the Committee. The Committee shall have all authority that may be necessary or helpful to enable it to discharge its responsibilities with respect to the Plan. Without limiting the generality of the foregoing sentence or Section 7.01, subject to the express provisions of the Plan, the Committee shall have full and exclusive discretionary authority to interpret and construe any and all provisions of the Plan and any Agreements, determine eligibility to participate in the Plan, adopt rules and regulations for administering the Plan, adjudicate and determine all disputes arising under or in connection with the Plan, determine whether a particular item is included in "Compensation," and make all other determinations deemed necessary or advisable for administering the Plan. Decisions, actions and determinations by the Committee with respect to the Plan or any Agreement shall be final, conclusive and binding on all parties. Except to the extent prohibited by applicable law or the rules of a stock exchange, the Committee may, in its discretion, from time to time, delegate all or any part of its responsibilities and powers under the Plan to any member or members of the management of the Company, and revoke any such delegation. Unless otherwise determined by the Committee, the Committee shall delegate its day-to-day administrative responsibilities under the Plan to the Plan Administrator.

7.03 Power to Adopt Sub-Plans or Varying Terms with Respect to Non-U.S. Employees. The Committee shall have the power, in its discretion, to adopt one or more sub-plans of the Plan as the Committee deems necessary or desirable to comply with the laws or regulations, tax policy, accounting principles or custom of foreign jurisdictions applicable to employees of a subsidiary business entity of the Company, provided that any such sub-plan shall not be within the scope of an "employee stock purchase plan" within the meaning of Section 423 of the Code. Any of the provisions of any such sub-plan may supersede the provisions of this Plan, other than Article V. Except as superseded by the provisions of a sub-plan, the provisions of this Plan shall govern such sub-plan. Alternatively, and in order to comply with the laws of a foreign jurisdiction, the Committee shall have the power, in its discretion, to grant Options in an offering to citizens or residents of a non-U.S. jurisdiction (without regard to whether they are also citizens of the United States or resident aliens) that provide terms which are less favorable than the terms of Options granted under the same offering to Eligible Employees resident in the United States.

**ARTICLE VIII  
MISCELLANEOUS**

8.01 Designation of Beneficiary. (a) A Participant may file with the Plan Administrator a written designation of a Beneficiary who is to receive any Common Stock and/or cash from the Participant's Account in the event of such Participant's death subsequent to an Exercise Date on which the Option is exercised but prior to delivery to such Participant of such Common Stock and cash. Unless a Participant's written Beneficiary designation states otherwise, the designated Beneficiary shall also be entitled to receive any cash from the Participant's Account in the event of such Participant's death prior to exercise of his or her Option.

(b) A Participant's designation of Beneficiary may be changed by the Participant at any time by written notice to the Plan Administrator. In the event of the death of a Participant and in the absence of a valid Beneficiary designation under the Plan at the time of such Participant's death, the Company shall deliver the shares and/or cash to which the deceased Participant was entitled under the Plan to the executor or administrator of the estate of such Participant. If no such executor or administrator has been appointed as can be determined by the Committee, the Company shall deliver such shares and/or cash to the spouse or to any one or more dependents or relatives of the Participant, or if no spouse, dependent or relative is known to the Company, then to such other person as the Committee may designate. Any such delivery or payment shall be a complete discharge of the obligations and liabilities of the Company, the Subsidiaries, the Committee and the Board under the Plan.

8.02 Nontransferability. Neither payroll deductions credited to the Participant's Account nor any rights with regard to the exercise of an Option or to receive Common Stock under the Plan may be assigned, transferred, pledged, or otherwise disposed of in any way other than by will, the laws of descent and distribution, or as provided under Section 8.01. Any such attempt at assignment, transfer, pledge or other disposition shall be without effect, except that the Company may treat such act as an election to withdraw funds from an Offering Period in accordance with Article VI.

8.03 Conditions Upon Issuance of Shares. If at any time the Committee shall determine, in its discretion, that the listing, registration and/or qualification of shares of Common Stock upon any securities exchange or under any state or Federal law, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of, or in connection with, the sale or purchase of shares of Common Stock hereunder, no Option may be exercised or paid in whole or in part unless and until such listing, registration, qualification, consent and/or approval shall have been effected or obtained, or otherwise provided for, free of any conditions not acceptable to the Committee.

(b) If at any time counsel to the Company shall be of the opinion that any sale or delivery of shares of Common Stock pursuant to an Option is or may be in the circumstances unlawful, contravene the requirements of any stock exchange, or result in the imposition of excise taxes on the Company or any Subsidiary under the statutes, rules or regulations of any applicable jurisdiction, the Company shall have no obligation to make such sale or delivery, or to make any application or to effect or to maintain any qualification or registration under the Securities Act, or otherwise with respect to shares of Common Stock or Options and the right to exercise any Option shall be suspended until, in the opinion of such counsel, such sale or delivery shall be lawful or will not result in the imposition of excise taxes on the Company or any Subsidiary.

(c) The Committee, in its absolute discretion, may impose such restrictions on the ownership and transferability of the shares of Common Stock purchasable or otherwise receivable by any person under any Option as it deems appropriate. The certificates evidencing such shares may include any legend that the Committee deems appropriate to reflect any such restrictions.

8.04 Participants Bound by Plan. By accepting any benefit under the Plan, each Participant and each person claiming under or through such Participant shall be conclusively deemed to have indicated their acceptance and ratification of, and consent to, all of the terms and conditions of the Plan and any action taken under the Plan by the Committee, the Company or the Board, in any case in accordance with the terms and conditions of the Plan.

8.05 Use of Funds. All payroll deductions received or held by the Company under the Plan may be used by the Company for any corporate purpose, and the Company shall not be obligated to segregate such payroll deductions.

8.06 Amendment or Termination. The Board may terminate, discontinue, amend or suspend the Plan at any time, with or without notice to Participants. No such termination or amendment of the Plan may materially adversely affect the existing rights of any Participant with respect to any outstanding Option previously granted to such Participant, without the consent of such Participant, except for any amendment or termination permitted by Section 5.04. In addition, no amendment of the Plan by the Board shall, without the approval of the shareholders of the Company, (i) increase the maximum number of shares that may be issued under the Plan or that any Participant may purchase under the Plan in any Offering Period, except pursuant to Section 5.04; (ii) change the class of employees eligible to receive Options under the Plan, except as provided by the Board pursuant to the last sentence of Section 7.01; or (iii) change the formula by which the Option Price is determined under the Plan.

8.07 No Employment Rights. The Plan does not, either directly or indirectly, create an independent right for the benefit of any employee or class of employees to purchase any shares of Common Stock under the Plan. In addition, the Plan does not create in any employee or class of employees any right with respect to continuation of employment by the Company or any Subsidiary, and the Plan shall not be deemed to interfere in any way with the Company's or any Subsidiary's employment at will relationship with the employee and/or interfere in any way with the Company's or any Subsidiary's right to terminate, or otherwise modify, an employee's employment at any time or for any or no reason.

8.08 Indemnification. No current or previous member of the Board, or the Committee, nor any officer or employee of the Company acting on behalf of the Board, or the Committee, shall be personally liable for any action, determination, or interpretation taken or made in good faith with respect to the Plan. All such members of the Board or the Committee and each and every officer or employee of the Company acting on their behalf shall, to the extent permitted by law, be fully indemnified and protected by the Company in respect of any such action, determination or interpretation of the Plan. 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 Bylaws, as a matter of law or otherwise.

8.09 Construction of Plan. Whenever the context so requires, the masculine shall include the feminine and neuter, and the singular shall also include the plural, and conversely. The words “Article” and “Section” herein shall refer to provisions of the Plan, unless expressly indicated otherwise.

8.10 Term of Plan. The Plan shall continue in effect until its termination by the Board. The Board may suspend or terminate the Plan at any time, in its discretion.

8.11 Unfunded Status of Plan. The Plan shall be an unfunded plan. The Committee may authorize the creation of trusts or other arrangements to meet the obligations created under the Plan to deliver Common Stock or make payments, provided that the existence of such trusts or other arrangements is consistent with the unfunded status of the Plan.

8.12 Electronic Administration. The Company may, in its sole discretion, decide to deliver any documents related to participation in the Plan by electronic means or use an on-line or electronic system established and maintained by the Company or another third party designated by the Company for Plan participation. Any Plan requirement to provide a notice or a document in writing may be satisfied by electronic means to the extent permitted by the Company and applicable law.

8.13 Governing Law. The law of the State of Connecticut will govern all matters relating to the Plan except to the extent such law is superseded by the laws of the United States.

8.14 Compliance with Laws. The purchase and delivery of Common Stock pursuant to the terms of the Plan shall be conducted in compliance with all applicable stock exchange listing requirements and all applicable laws, the respective rules and regulations promulgated thereunder, and the policies and regulations of applicable securities regulatory authorities. If the Committee determines, in its discretion, that, in order to comply with any such listing requirements, statutes, regulations or rules, certain action is necessary in relation to the purchase and delivery of Common Stock in accordance with the Plan, no Common Stock will be purchased or delivered, unless such action shall have been completed in a manner satisfactory to the Committee. Once issued, the Common Stock may be freely transferred, assigned, pledged or otherwise subjected to lien, subject to the restrictions imposed by applicable law and the Company’s insider trading policy and any holding period policy, each as amended from time to time.