

## **Related Person Transactions Policy**

**Adopted by the Audit Committee on February 28, 2011**

### **Background.**

The Charter of the Audit Committee calls for the Committee to "conduct an appropriate review and oversight of all related party transactions for potential conflict of interest situations on an ongoing basis." This Policy has been adopted by the Audit Committee in order to describe the procedures by which this responsibility will be fulfilled.

### **Definitions.**

For purposes of this Policy:

- a. "Related Person" means (i) any person who is, or at any time since the beginning of the Company's last completed fiscal year was, a director or executive officer of the Company or a nominee to become a director of the Company; (ii) any person who is known to be the beneficial owner of more than 5% of any class of the Company's voting securities; (iii) any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of the director, executive officer, director nominee or more than 5% beneficial owner, and any person (other than a tenant or employee) sharing the household of such director, executive officer, director nominee or more than 5% beneficial owner (each of whom is an "immediate family member" of such person); and (iv) any firm, corporation or other entity in which any of the foregoing persons (A) is employed, (B) is a general partner, principal or in a similar position or (C) has, together with the beneficial ownership interests of all other Related Persons of the Company, a 10% or greater beneficial ownership interest.
- b. "Related Person Transaction" means any existing or proposed transaction, arrangement or relationship, or any existing or proposed series of similar transactions, arrangements or relationships, in which (i) the Company or any of its subsidiaries is or will be a participant, (ii) the amount involved exceeds \$120,000, and (iii) any Related Person has a direct or indirect interest.

### **Information.**

On an annual basis, in connection with the preparation of the Company's annual report and proxy statement, the Company will solicit from each director, executive officer and director nominee, such information as the Company or the Committee deems necessary in order to evaluate any potential Related Person Transactions. The Company will obtain similar information from any director or executive officer appointed or elected during the course of the year. As part of this process, the Company will ask each director, director nominee, and executive officer to inform the Company of any additions or changes in the Related Persons attributable to them occurring after the date information is furnished. The Company will also determine, to the extent practicable, those individuals or entities falling within the definition of Related Person by virtue of stock ownership of the Company.

### **Transactions Not Requiring Review.**

1. Certain transactions are not subject to review under this Policy by virtue of being exempt from the set of Related Person Transactions that must be disclosed pursuant to Item 404(a) of SEC Regulation S-K. For this reason, if a Related Person Transaction is (i) a transaction involving services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture, or similar services, or (ii) a transaction where the rates or charges involved in the transaction are determined by competitive bids, or the transaction involves the rendering of services as a common or contract carrier, or public utility, at rates or charges fixed in conformity with law or governmental authority, then the Related Person Transaction may be entered into or amended in the ordinary course without review under this Policy.
2. In addition, the Committee has concluded that the provision of products or services by the Company and its subsidiaries to Related Persons, if conducted in the ordinary course of business and on terms that are no less favorable to the Company than those available to customers who are not related to the Company, are in the best interests of the Company and its stockholders. Accordingly, transactions meeting those conditions may be entered into or amended in the ordinary course of business without review under this Policy.

### **Other Related Person Transactions.**

"Other Related Person Transactions" (i.e., those Related Person Transactions other than those described in Paragraph 2 above, including charitable contributions by the Company to any non-profit organization falling within the definition of Related Person) shall be subject to review under the following procedures.

1. Approval. Prior to entering into the Other Related Person Transaction, the Related Person or the director, executive officer, director nominee or beneficial owner who is an immediate family member of the Related Person shall, to the extent practicable, provide notice to the Company of the facts and circumstances of the proposed Other Related Person Transaction, including such information as is necessary to allow the Committee to evaluate it described below. If the Chief Executive Officer determines that it is not practicable or desirable for the Company to wait until the next Committee meeting, the proposed transaction will be submitted to the chair (the "Chair") of the Committee (who will have delegated authority to act between Committee meetings). The Committee or the Chair, as applicable, shall consider all of the relevant facts and circumstances available to the Committee or the Chair, including the benefits to the Company, the impact on any director's independence, the availability of other sources for comparable products or services, the terms of the transaction, and the terms available to unrelated third parties or to employees generally. The Committee or the Chair, as applicable, shall approve only those Other Related Person Transactions that are in, or are not inconsistent with, the best interests of the Company and its stockholders, as the Committee or the Chair, as applicable, determines in good faith. In addition, if the transaction, arrangement or relationship falls within the definition of "Related Person Transaction" only because of the operation of clause (iv) of the definition of "Related Person," and the Committee concludes that no "Related Person" (without regard to clause (iv) of the definition) has a material interest in the transaction, arrangement or relationship, the Committee may approve it on that basis.
2. Ratification. In the event the Company becomes aware of an Other Related Person Transaction that has not been previously approved or previously ratified under this Policy that is pending or ongoing, it will be submitted to the Committee or the Chair, as applicable, as soon as is reasonably convenient and in any event in connection with the Committee's review of the proxy statement disclosure of Related Person Transactions, and the Committee or the Chair shall consider all of the relevant facts and circumstances available to the Committee or the Chair, including the matters described in Paragraph 5(a) above. Based on the conclusions reached, the Committee or the Chair, as applicable, shall evaluate all options, including but not limited to ratification, amendment or termination of the Other Related Person Transaction, and (if appropriate) any disciplinary actions recommended.
3. Non-Participation. No member of the Committee shall participate in the consideration, approval or ratification of any Other Related Person Transaction with respect to which such member or any of his or her immediate family members is the Related Person or in which he, she or they otherwise have an interest.

### **Hiring.**

No immediate family member of a director, a director nominee or an executive officer shall be hired as an employee of the Company at a compensation level, including all forms of compensation, that exceeds \$120,000 per year unless the employment arrangement is reviewed and approved by the Compensation Committee at the next Compensation Committee meeting or, in those instances in which the Chief Executive Officer determines that it is not practicable or desirable to wait until the next Compensation Committee meeting, by the chair of the Compensation Committee. In the event a person becomes a director or an executive officer of the Company and an immediate family member of such person is already an employee of the Company, no material change in the terms of employment, including compensation, may be made without the prior review and approval of the Compensation Committee if, as a result, the person's compensation, including all forms of compensation, would exceed \$120,000 per year.