Executive Stock Ownership Guidelines

DexCom grants stock options, restricted stock units and provides the Employee Stock Purchase Plan with the intent of aligning the interests of management and shareholders. Accordingly, the Company expects management to retain ownership of a material portion of company stock obtained through these programs. Stock ownership guidelines were adopted in 2010, and are to be satisfied by 2013, or within three years of becoming an executive officer for those who become executive officers after 2010. Under these guidelines, the company's officers are required to own shares of DexCom stock with an aggregate market value equal to three times his or her current base salary. Ownership levels will be determined by including stock acquired through open market or Employee Stock Purchase Plan purchases, shares vested pursuant to restricted stock unit grants, as well as the in-the-money value of vested stock options. Executives who have met the guidelines are expected, absent unusual circumstances, to maintain compliance with their target ownership levels.

Director Ownership Guidelines

In addition, DexCom's Board of Directors believes that its Directors more effectively represent DexCom's shareholders if they are shareholders themselves. Stock ownership guidelines for Directors were also adopted in 2010, and are to be satisfied by 2013, or within three years of becoming a Director for those who become Directors after 2010. Under these guidelines, each Director is required to own shares of DexCom stock with an aggregate market value equal to three times his or her annual retainer. Ownership levels will be determined by including stock acquired through open market purchases, shares vested pursuant to restricted stock unit grants, as well as the in-the-money value of vested stock options. Directors who have met the guidelines are expected, absent unusual circumstances, to maintain compliance with their target ownership levels.