

## Guidance Software, Inc.

### Executive Officer Stock Ownership Policy

February 9, 2016

The Compensation Committee (the "*Committee*") of the Board of Directors (the "*Board*") of Guidance Software, Inc. (the "*Company*") has determined that to further align the long term interests of the Company's stockholders and its senior executives, it is in the best interest of the Company to require its senior executives to maintain significant direct ownership in the Company's common stock. As a result of such determination, the Committee adopted this Executive Officer Stock Ownership Policy (the "*Ownership Policy*") to provide for an appropriate level of equity ownership.

#### 1. Executive Officer Stock Ownership Guidelines:

Each current Executive Officer of the Company is required immediately, and any newly hired and/or promoted Executive Officers is required within three (3) years following his or her date of hire or promotion, to own shares of the Company's common stock (as determined in accordance with the section entitled "*Determination Date and Shares Included in Ownership Calculation*" below) having an aggregate value as least equal to:

- CEO – Six (6) times the annual base salary
- CFO – Three (3) times the annual base salary
- All other Executive Officers – One (1) time the annual base salary

Executive Officers are subject to these guidelines for as long as they continue to be employed by the Company. For purposes of this policy, an "Executive Officer" shall mean any C level executive, including without limitation, Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer, Chief Marketing Officer, Chief Technical Officer, and any Section 16 reporting officer, and any other executive of Company deemed by the Committee to be an Executive Officer for purposes of this policy.

#### 2. Determination Date and Shares Included in Ownership Calculation:

For purpose of determining compliance with this Ownership Policy, the aggregate value of the shares required to be owned for each applicable year shall be determined as of the Record Date for the Company's annual meeting of stockholders (the "*Determination Date*") based on the higher of: (a) the price the shares were acquired or (b) market value, with market value determined based on the closing price on the date of the Company's annual meeting of stockholders.

In calculating share ownership, shares underlying unexercised stock options will not be included, while 65% of unvested restricted stock units (estimating net after tax shares assuming a 35% tax rate) will be included.

On the Determination Date that a director or Executive Officer first meets the ownership guidelines above (the "*Achievement Date*"), the required market value will be converted into a number of shares based on the closing market price of a share of common stock on the Achievement

Date. The resulting number of shares is referred to as the “***Required Share Level.***” Once a Required Share Level is determined, such director or Executive Officer must maintain the Required Share Level, and the Required Share Level will not increase except in connection with a change in title or change in base salary.

### **3. Hardship Exceptions:**

There may be rare instances in which compliance with this Ownership Policy would place a severe hardship on an individual or would prevent an individual from complying with a court order, such as in the case of a divorce settlement. In these instances, the Committee will evaluate whether exceptions from this Ownership Policy should be made. If an exception is granted in whole or in part, the Committee will, in consultation with the individual, develop an alternative stock ownership and retention plan that reflects both the intention of this Ownership Policy and the individual’s particular circumstances. Any such granted exception and alternative stock ownership plan shall be deemed to be consistent with this Ownership Policy and shall not be deemed a waiver.

### **4. Failure to Meet Ownership Requirement:**

Failure to meet or show sustained progress toward meeting the ownership requirements set forth in this Ownership Policy may result in a reduction in future long term incentive grants and/or the requirement to retain all stock obtained through the vesting or exercise of equity grants.

### **5. Amendment:**

The Committee may amend this Ownership Policy at any time and from time to time in their sole discretion.