

## Statement of Policy with respect to Related Party Transactions

Updated Approval as of November 8, 2017

### A. Introduction.

The Company recognizes that Related Party Transactions (as defined below) can present potential or actual conflicts of interest and create the appearance that Company decisions are based on considerations other than the best interests of the Company and its shareholders. The Company recognizes, however, that there are situations where Related Party Transactions may be in, or may not be inconsistent with, the best interests of the Company and its shareholders, including but not limited to situations where the Company may obtain products or services of a nature, quantity or quality that are not readily available from other sources, or on terms comparable to those that could be obtained in arm's length dealings with unrelated third parties. The Company also recognizes that there are situations where the Company provides products or services to a Related Party (as defined below) on an arm's length basis on terms comparable to those provided to unrelated third parties or on terms comparable to those provided to employees generally. Therefore, the Company has adopted the procedures set forth below for the review and approval or ratification of Related Party Transactions.

This policy has been approved by the Company's Board of Directors (the "Board"). The Audit Committee of the Board (the "Committee") will review and may recommend changes to this policy to the Board from time to time. Nothing set forth in this policy shall prevent the Board from reviewing, approving or disapproving any Related Party Transaction in accordance with the Bylaws of the Company and applicable law, whether or not such Related Party Transaction has been previously reviewed by the Committee.

Under this policy, a Related Party Transaction shall be consummated or shall continue only if the Committee or, in the case of a Material Related Party Transaction (as defined below), a majority of the disinterested members of the Board approves or ratifies such transaction in accordance with the guidelines set forth in this policy.

For these purposes, a "**Related Party**" is:

1. any director or Section 16 officer of the Company;
2. any nominee for director;
3. a shareholder who is the beneficial owner of more than five percent of the Company's voting securities;
4. a person who is an immediate family member (i.e. a 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 a person listed in 1 through 3 above; and any

person (other than a tenant or employee) sharing the household of a person listed in 1 through 3 above; and

5. an entity which is owned or controlled in substantial part by someone listed in 1 through 4 above.

For these purposes, a “**Related Party Transaction**” is a transaction between the Company and any Related Party (including any transactions requiring disclosure under Item 404 of Regulation S-K under the Securities Exchange Act of 1934), other than transactions available to all employees generally.

For these purposes, a “**Material Related Party Transaction**” is a Related Party Transaction determined by the Audit Committee to be potentially or actually material to the Company or to any director or Section 16 officer of the Company.

## B. **Approval**

The Board has determined that the Committee is best suited to determine whether Related Party Transactions are Material Related Party Transactions and to approve or disapprove any non-Material Related Party Transactions. Accordingly, at each calendar year’s first regularly scheduled Committee meeting, management shall recommend Related Party Transactions to be entered into by the Company for that calendar year, including the proposed aggregate value of such transactions if applicable. After review, the Committee shall (a) refer to the Board each Related Party Transaction that the Committee determines is a Material Related Party Transaction, along with a recommendation of whether to approve or disapprove such Material Related Party Transaction, and (b) approve or disapprove each other Related Party Transaction. The Board shall review and approve or disapprove each Material Related Party Transaction that is referred to it by the Committee. At each subsequently scheduled meeting of the Committee, management shall update the Committee as to any material change to any Related Party Transaction that has been approved by the Committee or the Board.

In the event management recommends any further Related Party Transactions subsequent to the first calendar year meeting of the Committee, such transactions may be presented to the Committee for approval or referral to the Board, as applicable, or preliminarily entered into by management subject to ratification by the Committee or the Board, as applicable; provided that if ratification shall not be forthcoming, management shall make all reasonable efforts to cancel or annul such transactions.

The Committee or the Board, as applicable, shall consider all of the relevant facts and circumstances in making its determination as to a Related Party Transaction, including (if applicable) but not limited to: the benefits to the Company; the impact on a director’s independence in the event the Related Party is a director, an immediate family member of a director or an entity which is owned or controlled in substantial part by a director; 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. No member of the Committee or Board, as applicable, shall participate in any

review, consideration or approval of any Related Party Transaction with respect to which such member, any of his or her immediate family members or any entity which is owned or controlled in substantial part by such member is the Related Party. The Committee or the Board, as applicable, shall approve only those Related Party Transactions that are in, or are not inconsistent with, the best interests of the Company and its shareholders, as the Committee or the Board, as applicable, determines in good faith.

The Board and the Committee have reviewed the Related Party Transactions described below in "Standing Pre-Approval for Certain Related Party Transactions" and determined that each of the Related Party Transactions described therein shall be deemed to be pre-approved or ratified (as applicable) by the under the terms of this policy.

**C. Standing Pre-Approval for Certain Related Party Transactions**

The Board and the Committee have reviewed the types of Related Party Transactions described below and determined that they shall be deemed to be pre-approved for purposes of this policy:

1. *Director and Section 16 officer compensation.* Any compensation paid to a director or Section 16 officer if approved by the Board or its Compensation Committee;

2. *Certain Company charitable contributions.* Any charitable contribution, grant or endowment by the Company to a charitable organization, foundation or university at which a Related Person's only relationship is as an employee (other than an executive officer) or a director, if the aggregate amount involved does not exceed the lesser of \$50,000 or 2 percent of the charitable organization's total annual receipts;

3. *Transactions where all shareholders receive proportional benefits.* Any transaction where the Related Person's interest arises solely from the ownership of the Company's common stock and all holders of the Company's common stock received the same benefit on a pro rata basis (e.g. dividends);

4. *Transactions arising from participation in employee benefit plans.* Any transaction where the Related Person's interest arises solely from participation in an employee benefit plan maintained by the Company for the general benefit of all of its employees; and

5. *Certain banking-related services.* Any transaction with a Related Party involving services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture, or similar services.

**D. Disclosure**

All Related Party Transactions shall be disclosed to the Committee and the Committee shall report to the Board Related Party Transactions it has approved or disapproved and refer for decision by the Board any Material Related Party Transaction

along with the Committee's recommendation as to whether such Material Related Party Transaction should be approved or disapproved.

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

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

**E. Other Agreements**

Management shall assure that all Related Party Transactions are approved in accordance with any requirements of the Company's financing agreements or other contractual arrangements.