

POLICY AND PROCEDURES WITH RESPECT TO RELATED PERSON TRANSACTIONS

1. Background

The Company recognizes that Related Person 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 stockholders. Accordingly, as a general matter, it is the Company's preference to avoid Related Person Transactions. Nevertheless, the Company recognizes that there are situations where Related Person Transactions may be in, or may not be inconsistent with, the best interests of the Company and its stockholders, including but not limited to situations where the Company may obtain products or services of a nature, quantity or quality, or on other terms, that are not readily available from alternative sources or when the Company provides products or services to Related Persons (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, approval or ratification of Related Person Transactions.

2. Policy Statement

The Board of Directors has adopted a written policy relating to the review and approval of transactions with related persons that are required to be disclosed in proxy statements by SEC regulations ("Related Person Transactions"). For the purposes of this policy, a "Related Person Transaction" is a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which the Company (including any of its subsidiaries) was, is or will be a participant and the amount involved exceeds \$120,000. A "related person" is defined under the applicable SEC regulation and includes:

1. any person who is, or at any time since the beginning of the Company's last fiscal year was, a director or executive officer of the Company or a nominee to become a director of the Company;
2. any person who is known to be the beneficial owner of more than 5% of any class of the Company's voting securities;
3. any immediate family member of any of the foregoing persons, which means 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, nominee or more than 5% beneficial owner, and any person (other than a tenant or employee) sharing the household of such director, executive officer, nominee or more than 5% beneficial owner; and

4. any firm, corporation or other entity in which any of the foregoing persons is employed, is a general partner or principal or in a similar position, or in which such person has a 5% or greater beneficial ownership interest.

The Corporate Secretary shall administer procedures adopted by the Board with respect to Related Person Transactions and the Nominating and Governance Committee (the "Committee") shall review and approve all such transactions. At times, it may be advisable to initiate a transaction before the Committee has evaluated it, or a transaction may begin before discovery of a related person's participation. In such instances, management shall consult with the Chair of the Committee to determine the appropriate course of action. Approval of a Related Person Transaction requires the affirmative vote of the majority of disinterested directors on the Committee. In approving any Related Person Transaction, the Committee must determine that the transaction is fair and reasonable to the Company. The Board delegates to the Chief Executive Officer the authority to approve any transaction between a Related Party and the Company which is less than or equal to \$120,000. The Committee (and the CEO, as the case may be) shall report to the Board all of its decisions relating to Related Person Transactions. The written policy relating to the Committee's review and approval of Related Person Transactions will be available on our website under "Corporate Governance."

3. Procedures for Evaluating Related Person Transactions

These Procedures shall be administered and monitored by the Corporate Secretary. Each executive officer, director and nominee for director shall provide to the Corporate Secretary annually a completed questionnaire setting forth certain business and other affiliations that relate to the business and activities of the Company. Each executive officer and director should also, throughout the year, promptly update the information provided in the questionnaire as necessary to ensure that the Corporate Secretary has been advised of all businesses and affiliations that may be considered Related Person Transactions. The Corporate Secretary shall report to the Committee any transaction that he or she becomes aware of that may be a Related Person Transaction.

When a Related Person Transaction is contemplated, all of the material facts regarding the substance of the proposed transaction, including the material facts relating to the Related Person's or other party's relationship or interest, must be fully disclosed to the Committee. The Committee shall thereafter review and vote on whether to approve the transaction. Interested directors may be counted in determining the presence of a quorum at a Committee meeting that authorizes or ratifies a Related Person Transaction. Only disinterested Committee members may vote on approval or ratification of a Related Person Transaction. Approval or ratification of a Related Person Transaction requires the affirmative vote of the majority of disinterested directors on the Committee.

In approving or ratifying any Related Person Transaction, the Committee must determine that the transaction is fair and reasonable to the Company. The Committee shall not be required by these Procedures to obtain a fairness opinion or other third party support or advice regarding the fairness of the transaction, but may do so at the Company's expense if the Committee so determines in its discretion.

These Procedures generally should be used to approve Related Person Transactions in advance of the transaction being entered into. On occasion, however, it may be advisable to commence a transaction before the Committee has evaluated it, or a transaction may commence before it is discovered that there is a Related Person participating in the transaction (such as with respect to a non-affiliated stockholder who beneficially owns more than 5% of the equity of the Company). Accordingly, in such instances, notwithstanding the above, management should consult with the Chair of the Committee to determine the appropriate course of action, which may include subsequent ratification by the affirmative vote of a majority of the disinterested directors on the Committee. If the Chair of the Committee is an interested director, then management shall consult with the disinterested members of the Committee to determine the appropriate course of action.

The Committee shall report to the Board of Directors all of its decisions relating to Related Party Transactions. Approval or ratification of a transaction in accordance with these Procedures will not constitute a waiver of the Company's Code of Ethics regarding "Conflicts of Interest."

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