

## Statement of Policy with Respect to Related Party Transactions

### A. Introduction

The Board of Directors recognizes that related party transactions present a heightened risk of conflicts of interest and/or improper valuation (or the perception thereof) and therefore has adopted this policy which shall be followed in connection with all related party transactions involving the Company.

Under this policy, any “Related Party Transaction” shall be consummated or shall continue only if:

1. the disinterested members of the Board of Directors shall approve or ratify such transaction in accordance with the guidelines set forth in the policy and if the transaction is on terms comparable to those that could be obtained in arm’s length dealings with an unrelated third party; or
2. the transaction involves compensation approved by the Company’s Compensation Committee.

For these purposes, a “Related Party” is:

1. a person deemed to be a senior officer (which shall include at a minimum each executive vice president of the Company, each Section 16 reporting officer for the Company and the presidents/chief executive officers of principal subsidiaries) or director of the Company;
2. a shareholder owning in excess of five percent of the Company (or such shareholder’s controlled affiliates);
3. a person who is an immediate family member of a senior officer or director; and
4. an entity which is owned or controlled by someone listed in 1, 2 or 3 above, or an entity in which someone listed in 1, 2 or 3 above has a substantial ownership interest or control of such entity.

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:

1. transactions available to all employees generally; or
2. transactions involving less than (\$5,000) when aggregated with all similar transactions.

### B. Approval Procedures

At each calendar year’s first regularly scheduled Board 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 disinterested directors shall approve or disapprove such transactions and at each subsequently scheduled meeting, management shall update the disinterested directors as to any material change to those proposed transactions.

In the event management recommends any further Related Party Transactions subsequent to the first calendar year meeting, such transactions shall be presented to the disinterested directors for approval.

**C. Corporate Opportunity**

The Board recognizes that situations exist where a significant opportunity may be presented to management or a member of the Board of Directors, either directly or via referral, which might result in the diversion of a corporate opportunity for their personal gain. Before such opportunity may be consummated by a Related Party (other than an otherwise unaffiliated 5% shareholder), the consent of the Board of Directors of the Company shall be obtained.

**D. Disclosure**

All Related Party Transactions are to be disclosed in the Company's applicable filings as required by the Securities Act of 1933 and the Securities Exchange Act of 1934 and related rules. Furthermore, all Related Party Transactions shall be reviewed by the Audit Committee of the Board to assure the appropriate disclosure of such transactions in the Company's financial statements and other documents filed with the Securities and Exchange Commission.