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normal cash dividends to our stockholders), or any similar corporate event or transaction, the board, to prevent dilution or enlargement of rights under the 2012 Plan, shall substitute or adjust, in its sole discretion, the number and kind of shares or other property that may be issued under the 2012 Plan or under particular forms of awards, the number and kind of shares or other property subject to outstanding awards, the option, grant or purchase price applicable to outstanding awards and/or other value determinations (including performance conditions) applicable to the 2012 Plan or outstanding awards.

Administration

The 2012 Plan is administered and interpreted by our board. Our board has full authority (i) to interpret and administer the 2012 Plan, (ii) to select the directors, employees and consultants to whom awards will be granted and (iii) to determine the type and amount of awards, as well as the terms and conditions of such awards, to be granted to each such director, employee or consultant. Our board also has full authority to specify the time(s) at which awards will be exercisable or settled. All actions taken and all interpretations and determinations made by the board will be final and binding on the participants of the 2012 Plan, us and all other interested individuals.

Eligibility

Employees, directors and consultants, as our board in its sole discretion determines and whom our board may designate from time to time to receive awards under the 2012 Plan, are eligible to participate in the 2012 Plan; provided that stock options and SARs may only be granted to those employees, directors and consultants with respect to whom we are an "eligible issuer" within the meaning of Section 409A of the Code.

Stock Options

Our board may grant stock options to purchase a stated number of shares at a price established by the board, subject to the terms and conditions described in the 2012 Plan and to such additional terms and conditions, as established by the board, in its sole discretion, that are consistent with the provisions of the 2012 Plan. Our board may grant nonqualified stock options and stock options qualifying as ISOs under Section 422 of the Code; provided that ISOs may only be granted to our employees.

The exercise price of any stock option granted under the 2012 Plan will be not less than the fair market value of our common stock, par value \$0.01 per share, on the date the stock option is granted.

Our board may determine the term for each stock option; provided, however, that the term of any stock option may not exceed ten years from the date of grant. The vesting schedule for each stock option will be determined by our board and set forth in the applicable award agreement.

Generally, payment of the option exercise price must be made in full at the time of exercise and may be made using one of the following methods, at the election of the option holder: (a) in cash or its equivalent (e.g., by cashier's check); (b) to the extent permitted by the board, in shares (whether or not previously owned) having a fair market value equal to the aggregate option exercise price for the shares being purchased and satisfying such other requirements as may be imposed by the board; (c) partly in cash and, to the extent permitted by the board, partly in such shares (as described in (b) above); (d) to the extent permitted by the board, by reducing the number of shares otherwise deliverable upon the exercise of the stock option by the number of shares having a fair market value equal to the option exercise price; or (e) if there is a public market for the shares at such time, subject to such requirements as may be imposed by the board, through the delivery of irrevocable instructions to a broker to sell shares obtained upon the exercise of the stock option and to deliver promptly to us an amount out of the proceeds of such sale equal to the aggregate option exercise price for the shares being purchased.

SARs

Our board is authorized to grant SARs to receive, upon exercise thereof, the excess of: (a) the fair market value of a specified number of shares on the date of exercise over (b) the grant price of the right as specified by the board on the date of the grant. Such payment may be in the form of cash, shares, other property or any combination thereof, as the board shall determine in its sole discretion. No SAR may have a term of more than ten years from the date of grant.