

**RESPONSIBILITIES AND REQUIREMENTS OF
DIRECTORS, OFFICERS AND EMPLOYEES OF
A PUBLICLY-HELD COMPANY**

CHASE CORPORATION

**Approved by the Board of Directors
April 2007**

**Amended and restated:
October 23, 2018**

Directors, officers and employees of every corporation, whether public or privately-held, have responsibilities toward the corporation which may at times generate liability in the event that such responsibilities are not fulfilled. Directors, officers and employees of publicly-held corporations, however, are subject to additional requirements imposed by the federal securities laws. As a result, we would like to summarize in nontechnical terms the various responsibilities and requirements imposed on the officers and directors of Chase Corporation.

The areas covered by this memorandum are quite complex, and the laws and rules discussed are often amended and/or reinterpreted. Advice should be sought for any specific questions that may arise.

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OVERVIEW OF RESPONSIBILITIES

As a director, officer or employee of a public company, you are subject to certain restrictions and responsibilities with regard to buying and selling common stock of Chase Corporation (the “Company”) imposed by the federal securities laws and regulations. The following is a brief summary of these restrictions and responsibilities. Please review the more complete treatment of these subjects in this memorandum.

Responsibilities Applicable to Directors, Officers and Employees:

Insider Trading Restrictions

You May Not Trade on Material Non-Public Information: As a director, officer or employee of a public company, you have access to material non-public information about the Company, and will be subject to civil and criminal liability under the federal securities laws should you trade in the Company’s stock while in possession of material non-public information.

You May Only Trade in a Window Period: The Company has established a “window period” which is the only time directors, officers and *selected* other employees will be permitted to trade in the Company’s common stock. The window period begins when the market opens on the third business day after the public release of the Company’s quarterly earnings information and continues until the close of market on the second to last business day of the final month of each fiscal quarter. However, it is important to remember the prohibition on trading while in possession of material non-public information applies regardless of whether or not you are in a window period.

Responsibilities Applicable to Executive Officers and Directors

Section 16 of the Securities Exchange Act of 1934

You Must Report Your Transactions in the Company’s Securities to the SEC: As a means of tracking purchases and sales by executive officers and directors of public companies, Section 16 of the Securities Exchange Act of 1934 provides that insiders must report certain transactions in Company stock to the SEC. Generally, any purchase or sale of Company stock by you or your spouse, any children living with you or any corporation, partnership or trust that you control must be reported to the SEC within two business days after the date such purchase or sale took place.

You May be Liable for Short Swing Profit Recovery: Section 16 also provides that any profit realized by a director or executive officer of the Company resulting from the purchase and subsequent sale or sale and subsequent purchase of the Company’s common stock within a six (6) month period is recoverable by the Company.

For example, if you purchase Company stock, you may continue to purchase Company stock as you wish, provided your purchases fall within the other requirements outlined in this memorandum. However, should you then desire to sell Company stock, you must wait until six

months after your last purchase before selling at a profit. Otherwise, you will be required to turn over to the Company any profits from the transaction.

Many different types of transactions may constitute a purchase or sale for purposes of this rule. Also, the determination of whether you would be considered to have made a profit is sometimes not intuitive, and the order of the transactions (a purchase followed by a sale, or a sale followed by a purchase) is not relevant. For this reason, it is important you check with the Filing Coordinator prior to trading in the Company's stock. In addition, Section 16 prohibits any executive officer or director from selling short the Company's common stock.

Rule 144 of the Securities Act of 1933

If You Sell Stock, You Should Comply with Rule 144: Rule 144 under the Securities Act of 1933 places restrictions on the ability of executive officers and directors to sell the Company's common stock. Generally, to comply with Rule 144, there must be adequate current public information about the Company (meaning, in general, that the Company must be current in its SEC filing requirements), only a limited number of shares can be sold by a director or executive officer in a three month period, the shares must be sold by a broker in a routine open market transaction, and, if over 500 shares or an aggregate sales price of \$10,000 is involved, a Form 144 must be filed with the SEC.

Filing Coordinator

All Transactions in Company Stock Should be Pre-Cleared with the Filing Coordinator: As a means of assisting directors and executive officers to comply with their obligations under the federal securities laws, the Company has named the Chief Financial Officer as the Filing Coordinator. The Filing Coordinator will assist directors and officers with their Section 16 reporting obligations and will be available to answer any questions regarding the restrictions applicable to individual officers and directors. Please do not hesitate to contact the Filing Coordinator.

POLICY AND GUIDELINES REGARDING INSIDER TRADING AND TRANSACTIONS IN COMPANY STOCK

It is the policy of Chase Corporation that its employees and the employees of its subsidiaries, together with the members of the board of directors of each of them, comply fully with the insider trading securities laws and regulations of the United States, of the several states, and of foreign jurisdictions, wherever they are applicable.

All Company management personnel must maintain a basic familiarity with the principles and purposes of these laws as they may be applied to the Company, or the subsidiary in question, and avoid any activity that might violate these laws or give any appearance either of violation or intention to violate. Management personnel must also assure that all persons under their supervision comply with the securities laws and regulations.

The following is a brief summary of certain major principles involved in the Company's insider trading policy and policies with respect to transactions by employees and directors in Company stock. Compliance with this policy statement defines the scope of employment for the Company's employees. Conduct which violates or does not comply with this statement is outside the scope of employment for the Company's employees. Any employee of the Company who fails to comply with this policy will be subject to appropriate disciplinary action, which may include suspension or termination.

This statement is not a description of all applicable securities statutes, but rather is intended to set forth a course of conduct designed to ensure that the employees and directors of the Company and its subsidiaries do not engage in any activity that violates the spirit of the insider trading provisions of the securities laws, is unfair to the Company's public stockholders, or creates an appearance of a violation.

Prohibited Conduct

It is generally illegal for any person, either personally or on behalf of others, to trade in securities on the basis of material nonpublic information. It is also generally illegal to communicate (to "tip") material nonpublic information to others so that they may trade in securities on the basis of that information. These illegal activities are commonly referred to as "insider trading." Penalties for insider trading violations include civil fines of up to three times the profit gained or loss avoided by the trading, criminal fines of up to \$5 million, and imprisonment for up to twenty years. There may also be liability to those damaged by the trading. A company whose employee violates the insider trading prohibitions may be liable for a civil fine of up to the greater of \$1 million or three times the profit gained or loss avoided as a result of the employee's insider trading violation, and may face criminal fines of up to \$25 million.

Employees and directors of the Company must not trade or tip others to trade when they know material nonpublic information. A more detailed discussion of insider trading including definitions of "material" and "nonpublic" information can be found below under the heading "Insider Trading."

Certain employees and other personnel routinely possess material nonpublic information. These persons are subject to special requirements and include the President and Chief Executive Officer, the Chief Financial Officer, the Chief Accounting Officer, the General Counsel (if any), the Controller and all corporate Vice Presidents, as well as the Company's Board of Directors and others who will be notified from time to time by the Company of their status. These persons, together with their family members and other affiliates, such as trusts, partnerships and corporations, to whom their knowledge may be imputed ("Covered Persons") are subject to a corporate "trading window" and they should only buy or sell Company securities if all of the following conditions have been met:

- (i) the Covered Person has no material information that has not been made public by dissemination at least 48 hours prior to the proposed sale;
- (ii) the Company is in an "open window" period (as described below); and
- (iii) the Covered Person has discussed the transaction in advance with the Filing Coordinator. (Of course, the advice received concerning the appropriateness of transactions should not be regarded as investment advice or as a guarantee that no liability will arise, and advice of an employee's own counsel can and should be sought in special circumstances.)

The "open window" period is defined as follows: Absent circumstances which would require the window to remain closed, the "open window" period will commence when the market opens on the third business day after the public release of the Company's quarterly earnings information and will terminate at the close of market on the second to last business day of the final month of each fiscal quarter. The Board of Directors may grant certain exceptions to the "open window" period policy upon a showing that there is acceptable limited risk of misuse of inside information.

The "open window" period is *not* an automatic period when Company stock may be purchased or sold. Rather, it is a period when it is least likely that a Covered Person will possess material non-public information. It is entirely possible there will be times when Covered Persons may not be able to engage in Company stock transactions even during an "open window" period. Hence, it is crucial that Covered Persons discuss proposed transactions in Company stock in advance with the Filing Coordinator. Also, depending upon the status of the Covered Person and the nature of the transaction, the Covered Person may be required to file form(s) with the Securities and Exchange Commission before and/or immediately after any transaction in Company stock. Again, checking with the Filing Coordinator, who in turn will work with the Company's outside counsel, will avoid inadvertent violations of applicable filing requirements. Violations of these filing requirements, even if inadvertent, could subject the Covered Person to penalties.

Insider Trading

Federal and state securities laws and rules contain restrictions designed to prevent the improper use of insider information by directors, officers and employees, as well as by other persons who may have access to inside information. Whenever a director, officer, employee or

other insider has information regarding the Company that has not been made public and that a reasonable investor would consider important in making an investment decision concerning the Company's stock, it is highly inappropriate and in most cases illegal for him or her (or any person with whom he or she has shared the insider information, commonly referred to as a "tippee"), as well as for the Company, to buy or sell Company shares until the information has been released to and digested by the investing public.

It is the Company's policy to release to the public as promptly as circumstances permit any news or information that might materially affect the value of its stock or influence investment decisions. However, on occasion, premature public disclosure may be detrimental to the Company and its shareholders. Until material information has been released to and digested by the public, insiders should refrain from buying or selling and from advising others to buy or sell. No confidential Company information should ever be disclosed except in official Company releases.

In general, the most appropriate time for directors, officers and their families to buy or sell Company stock is after the public has absorbed all material information. Directors and many of the Company's senior executives are specifically subject to the Company's "open window" requirements (set forth above under "Prohibited Conduct") which are designed to facilitate compliance with these laws and designed to protect the Company from unnecessary liability.

In addition to technical legal requirements, directors, officers and other insiders must be guided by a sense of fairness to other stockholders of the Company and to the investing public. If there is any question, the Filing Coordinator or the Company's outside counsel should be consulted.

What information is material? All information that an investor would consider important in deciding whether to buy, sell, or hold securities is considered material. Examples of some types of material information are:

- financial results for the quarter or the year;
- projections of future earnings or losses, or other earnings guidance (particularly if inconsistent with consensus expectations of the investment community);
- possible mergers, acquisitions, joint ventures and other purchases and sales of companies and investments in companies;
- events relating to the Company's securities, such as dividend changes, repurchase plans or plans for public or private sales of additional securities;
- obtaining or losing important contracts;
- important service or product developments;
- major personnel changes; or
- major litigation developments.

This list is not meant to be exclusive. Information that is likely to affect the price of securities is almost always material.

What is nonpublic information? Information is considered to be nonpublic unless it has been effectively disclosed to the public. Examples of effective disclosure include public filings with the Securities and Exchange Commission (the "SEC"), company press releases, and company meetings with members of the press and the public. The information must not only be publicly disclosed, there must also be adequate time for the market as a whole to digest the information. At least 48 hours of general availability may be required for information to be considered public.

Margin Accounts and Pledges

Securities held in a margin account may be sold by the broker without the customer's consent if the customer fails to meet a margin call. Similarly, securities pledged (or hypothecated) as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan. Because a margin sale or foreclosure sale may occur at a time when the pledgor is aware of material nonpublic information or otherwise is not permitted to trade in Company securities, Covered Persons and other officers of the Company are prohibited from holding Company securities in a margin account or pledging Company securities as collateral for a loan. An exception to this prohibition may be granted where a person wishes to pledge Company securities as collateral for a loan (not including margin debt) and clearly demonstrates the financial capacity to repay the loan without resort to the pledged securities. Any person who wishes to pledge Company securities as collateral for a loan must submit a request for approval to the Filing Coordinator at least two weeks prior to the proposed execution of documents evidencing the proposed pledge.

Certain Exceptions

Stock Option Exercises. This policy statement does not apply to the exercise of a director or employee stock option or to the exercise of a tax withholding right pursuant to an election to have the Company withhold shares subject to an option to satisfy tax withholding requirements. The window policy does apply, however, to any sale of stock as part of a broker-assisted cashless exercise of an option or any other market sale for the purpose of generating the cash needed to pay the exercise price of an option.

Gifts. Bona fide gifts of the securities of the Company generally will be exempt from this policy statement. However, all such gifts by Covered Persons must be pre-cleared by the Filing Coordinator if the window period is not open at the time of the gift. The Filing Coordinator, after consultation with the Chief Executive Officer or legal counsel, may prohibit any gift that is subject to preclearance in his or her sole discretion.

Blind Trusts and Pre-Arranged Trading Programs. Rule 10b5-1 of the Exchange Act provides an affirmative defense against insider trading liability for a transaction done pursuant to "blind trusts" (trusts in which investment control has been delegated to a third party, such as an institutional or professional trustee) or pursuant to a written plan, or a binding contract or instruction, entered into in good faith at a time when the insider was not aware of material non-

public information, even though the transaction in question may occur at a time when the person is aware of material non-public information.

The Company may, in appropriate circumstances, permit transactions pursuant to a blind trust or a trading program that complies with Rule 10b5-1 to take place outside of open window periods. If a Covered Person or other employee is subject to the window periods of this policy statement and wishes to establish a blind trust or trading program, such person must preclear it with the Filing Coordinator and the Chief Executive Officer. With respect to arrangements that result or may result in transactions taking place outside of open window periods, the Filing Coordinator and Chief Executive Officer will review such arrangements from time to time with input from the Board of Directors and the Company's legal counsel, if appropriate. The Company reserves the right to bar any transactions in the Company's stock, including transactions pursuant to arrangements previously approved, if the Filing Coordinator or Chief Executive Officer determine that such a bar is in the best interests of the Company. A person may not engage in any hedging transactions (as described below) if such person is trading in the Company's stock pursuant to a blind trust or a Rule 10b5-1 trading program.

Short Sales; Derivative Securities Transactions

As described in more detail below, Section 16(c) of the 1934 Act makes it unlawful for an executive officer or director to make "short sales" of the Company's common stock. Even if an employee is not subject to the reporting requirements of Section 16 of the 1934 Act, however, it is recommended that he or she not engage in short sales or deal in traded options (puts and calls) or other derivative securities relating to the Company's securities (both of which constitute hedging transactions) due to their inherently speculative nature.

Disclosure of Information to Others

The Company is required under Regulation FD of the federal securities laws to avoid the selective disclosure of material nonpublic information. The Company has established procedures for releasing material information in a manner that is designed to achieve broad public dissemination of the information immediately upon its release. Employees may not, therefore, disclose information to anyone outside of the company, including family members and friends, other than in accordance with those procedures. It is the Company's policy that employees and consultants of the Company and its subsidiaries shall not participate in internet bulletin boards and chat rooms concerning the Company or any of its directors, officers and management personnel. Communications through bulletin boards and chat rooms can lead to disclosure of material nonpublic information concerning the Company and result in insider trading as described above. Even when material nonpublic information is not disclosed, participation in bulletin boards and chat rooms often can lead to false rumors or "cyber smears" which can be injurious to the Company and its business. Moreover, communications by Company persons that are intended to correct false rumors or statements may result in unintended consequences. Consequently, the Company believes that a policy against participation in internet bulletin boards and chat rooms is prudent and will consider any violations of this policy as serious transgressions.

Reports, Inquiries and Compliance

If, at any time, any employee of the Company or any of its subsidiaries becomes aware of any apparent violation of any of the Company's Insider Trading policies, he or she must report it to the Chief Financial Officer or General Counsel.

All reports pursuant to this compliance policy will be treated with discretion. The Company will not retaliate in any way against persons making complaints, whether or not the complaint ultimately proves to be well founded. Indeed, the Company will take appropriate action against employees who are aware of insider trading violations and who do not act to end such violations.

The Chief Financial Officer may be reached at telephone number (401) 722-5500.

Conclusion

The laws relating to insider trading are complex and many of the concepts are developed in case-by-case determinations, leading to varying interpretations from time to time. This policy statement may be reviewed and modified from time to time. It deals only generally with some of the more important insider trading principles. Their mention is not intended to minimize the importance of other activities which may also violate the securities laws. Consequently, consultation on the legality of conduct is important, and any employee who is in doubt as to the propriety of the contemplated course of action must promptly communicate with the Filing Coordinator before action is taken.

SECTION 16 – SHORT-SWING PROFIT RECAPTURE AND REPORTING (applies to executive officers and directors)

One of the most serious risks of liability for directors, officers and greater-than-10% stockholders of the Company are the requirements of Section 16 of the Securities Exchange Act of 1934, as amended (the "1934 Act"). The term "officer," for purposes of Section 16, means the Company's President, Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer, any Vice President in charge of a principal business unit, division or function, and any other person, whether or not holding the title of an officer, who performs policy-making functions for the Company, including (where applicable) officers of a subsidiary of the Company. The Board of Directors, in consultation with counsel, will determine who are the Company's officers for purposes of Section 16.

Short-Swing Profit Recapture

In general, Section 16(b) of the 1934 Act provides that any "profit" realized on a purchase and a sale of a corporation's shares beneficially owned by a director, officer or greater-than-10% stockholder within a six-month period is recoverable by that corporation or, if the corporation does not assert a claim, by the corporation through any stockholder of the corporation asserting a claim on behalf of the corporation. For this purpose, it does not matter whether the purchase or the sale occurs first.

The purpose of Section 16(b) is to prevent officers, directors and greater-than-10% beneficial owners subject to Section 16 (“Section 16 Insiders”) from engaging in short-swing speculation in the stock of their corporation at the expense of stockholders who do not have the same advance information as the Section 16 Insiders are presumed to have. Rather than require proof that a Section 16 Insider had in fact profited from the use of information not available to others, Congress established a rather crude but simple test of liability, the elements of which are objective and readily can be proven. As a result, in determining the existence of an obligation to disgorge profits, all that generally is required to be shown with respect to a given “sale” of equity securities by a Section 16 Insider is that within six months before or after that sale, the Section 16 Insider “purchased” those same or any other equity securities of the corporation at less than the price received from the sale.

The courts generally have applied Section 16(b) with mechanical rigidity to maximize the amount of profit recaptured. Accordingly, it is not necessary for the same shares to be involved in each of the matched transactions. Additionally, losses from one transaction will not be offset against gains from another transaction. Transactions will be paired so as to match the lowest purchase price and the highest sale price within a six-month period, thus maximizing the spread. Good faith on the part of the Section 16 Insider will not be a defense. If the transactions have been properly reported (discussed below), no suit may be brought under Section 16(b) more than two years after the alleged profit was realized. The courts have indicated that this two-year period generally will not begin to run until the reports disclosing the transactions in question have been filed with the SEC.

There are many types of transactions which constitute a “purchase” or a “sale” for purposes of Section 16 other than normal open market transactions. Many corporate reorganizations may result in “purchases” or “sales.” The acquisition of an option, warrant, convertible security or right with an exercise or conversion privilege at a price related to that of the Company’s common stock (a “derivative security”) is a purchase of the Company’s common stock for purposes of Section 16(b), although the acquisition of an option pursuant to any of the Company’s stock option plans will be exempt from Section 16(b). Likewise, acquisitions of common stock by officers or directors pursuant to the Company’s 2013 Equity Incentive Plan and its predecessors are exempt from Section 16(b).

The concept of “beneficial ownership” of securities is critical to Section 16 because a Section 16 Insider does not have to own securities “of record” to be subject to Section 16. He or she merely needs to beneficially own such securities. With respect to officers and directors, a “beneficial owner” for purposes of Section 16 means “any person who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares a direct or indirect pecuniary interest in the equity security.” In the view of the SEC, the term “indirect pecuniary interest” includes, but is not limited to, securities held by members of a person’s immediate family sharing the same household (i.e., the spouse and children of a Section 16 Insider). As a result, a transaction by a Section 16 Insider could be paired with a transaction by a family member to result in a short-swing profit recoverable by the corporation. In addition, shares of the corporation held in street name or trust for the benefit of the Section 16 Insider may be deemed to be beneficially owned by that person.

Reports of Beneficial Ownership

As a basis for information related to the profit recapture provisions of Section 16(b), Section 16(a) of the 1934 Act requires Section 16 Insiders to file with the SEC initial reports of beneficial interest (on Form 3) and, where necessary, periodic (Form 4) and annual (Form 5) reports of changes in ownership. Section 16 Insiders should realize that under Section 16, even though the Company may assist them in the preparation and filing of the required forms (as discussed below), individual officers, directors and greater-than-10% beneficial owners ultimately are personally responsible for the preparation and filing of Forms 3, 4 and 5.

Form 3. A Form 3, which is filed when a person first becomes a Section 16 Insider, reports all Company stock owned by the Section 16 Insider at that time and must be filed with the SEC within ten calendar days of the Section 16 Insider assuming his or her position.

Form 4. A Form 4 must be filed whenever there is a non-exempt acquisition (including certain stock option grants and all stock option exercises) or disposition of securities by a Section 16 Insider. A Form 4 generally must be filed with the SEC by 10:00 p.m. on the 2nd business day after the day the transaction took place. Changes in the nature of the Section 16 Insider's ownership (e.g., from direct to indirect) need not be reported. Certain changes in beneficial ownership, such as gifts, inheritances and bequests and certain small acquisitions, are exempt from reporting on Form 4, but must be reported at year-end on Form 5 and may be reported earlier on Form 4.

Former officers and directors (but not greater-than-10% owners) must report on Form 4 any changes which occur after they are no longer Section 16 Insiders if the change takes place within six months of an opposite transaction that occurred while they were Section 16 Insiders.

Form 5. A Form 5 must be filed each year with the SEC within 45 days after the end of the Company's fiscal year by officers, directors and greater-than-10% owners to report any exempt transactions during the year, and to report failures to file previously due reports. One of the primary purposes of Form 5 is to promote compliance with Section 16 by requiring Section 16 Insiders to report any required transactions which had not been filed on Forms 3 and 4 during the year. At year-end, officers and directors who have no Form 5 items to report will be asked to provide the Company with a written representation that no Form 5 filing is due (i.e., that there are no unreported transactions).

Filing Mechanics. All Forms 3, 4 and 5 must be filed by their due dates as discussed above. The forms must be filed electronically via the SEC's Electronic Data Gathering and Recovery (EDGAR) system. All Section 16 Insiders who have not already done so will need to obtain filing codes from the SEC prior to the implementation of electronic filing. A copy of Form ID, used to request filing codes, may be obtained from the Filing Coordinator. The rules require each officer and director to send or deliver a duplicate Form 3, 4 or 5 to the Secretary or Assistant Secretary of the Company at the same time that the form is transmitted for filing with the SEC. The Company is entitled to assume that the form was filed timely with the SEC if the Company receives the form within three calendar days of the required filing date. The Filing

Coordinator will assist a Section 16 Insider in making these filings, although the ultimate responsibility remains that of the Section 16 Insider.

Section 16 also requires that a copy of any Form 3, 4 or 5 filed with the SEC be delivered also to any stock exchange on which the Company's stock is listed. However, the SEC has held through a so-called "no action" letter that electronic filing of a report on EDGAR will satisfy this requirement.

The Consequences of Delinquent Filings. The consequences of a late filing or a failure to file are:

- The Company must report in its annual proxy statement or Form 10-K annual report the names of any officers, directors or greater-than-10% stockholders who during the Company's preceding fiscal year failed to file or filed late any of the required forms.
- The SEC may seek significant fines for violations of the Section 16(a) reporting requirements.

Section 16 Filing Compliance Program

Because the SEC's rules require proxy statement disclosure of Section 16 filing violations and officers and directors likely will desire assistance in order to avoid inadvertent violations of both the Section 16 filing requirements and the short-swing profit rules, the Company has appointed a Filing Coordinator to assist Section 16 Insiders with their filing obligations. Please contact the Filing Coordinator **in advance** of any trades that you may wish to make, to ensure that no inadvertent violations take place and that the appropriate forms may be prepared for filing in a timely manner.

Prohibition Against Short Sales; Engaging in Derivative Securities Transactions

Section 16(c) of the 1934 Act makes it unlawful for a Section 16 Insider to make any "short sales" of the Company's common stock, i.e., sales of common stock which the Insider does not own or, if owned, are not delivered against the sale within 20 days or deposited in the mail within five days after the sale. Violations of Section 16(c) are subject to criminal liability. Subject to complex rules under Section 16, there is no direct prohibition against dealing in traded options (puts and calls) or other derivative securities, but such transactions by Section 16 Insiders are looked upon with disfavor and should be avoided.

RULE 144 AND SECURITIES LAW REQUIREMENTS ON SALES OF SHARES (applies to executive officers and directors)

Executive officers and directors of the Company (as well as controlling shareholders) are presumed to be "affiliates" of the Company and must register the sale of Company securities owned by them, directly or indirectly, under the 1933 Act, comply with an exemption from such registration, or comply with the "safe harbor" of SEC Rule 144.

The most efficient method by which a selling director, officer or controlling shareholder may satisfy their obligations is to comply with the terms of Rule 144. The general requirements of Rule 144 are:

- current information concerning the issuer must be publicly available (e.g., the Company files periodic reports pursuant to the 1934 Act).
- the number of shares that can be sold by the seller in any three-month period is limited to the greater of (i) one percent of the issuer's shares outstanding, or (ii) the average weekly trading volume during the four calendar weeks preceding the sale. Sales by certain related persons (such as a spouse) must be combined with those of the executive officer or director when computing the volume of sales limitation.
- the securities must be sold by a broker in a routine open market transaction that does not involve the solicitation of order for the purchase of the securities.
- if over 500 shares or an aggregate sales price of \$10,000 is involved, a Form 144 must be transmitted for filing with the SEC at the time the order is placed with the broker.

In addition, depending on how and from whom the Company securities being sold were acquired, a holding period may need to be met before the sale. This holding period will generally not apply to securities acquired under the Company's 2013 Equity Incentive Plan and its predecessors.

Certain dispositions of securities are not considered "sales" for the purposes of Rule 144. These include the gifting of securities and the transfer of securities into "street name." However, people receiving such securities will be subject to the same restrictions, and will have to comply with Rule 144 should they subsequently choose to sell the securities.

The foregoing is an extremely simplified summary of very complex and detailed provisions which may vary in their impact on individual stockholders. Suffice it to say, in view of the complexity and detail of such provisions, any affiliate or holder of restricted securities should seek specific advice in advance, related to his or her individual circumstances at the time, before committing to make any public sale of the Company's common stock.

The preceding discussion relates solely to an exemption from the 1933 Act registration requirements. Whether or not registration is required with respect to any proposed sale, the antifraud rules remain applicable. Thus, even if Rule 144 provides an exemption from 1933 Act registration, no controlling person or holder of restricted securities should make any public sale of any Company shares if he or she is then aware of material non-public information about the Company. It also should be noted that the short-swing profit recapture stricture of Section 16 (discussed above) applies to a sale of shares by a Section 16 Insider, notwithstanding the availability of the exemption from registration provided by Rule 144.

THE WILLIAMS ACT
(applies to 5% stockholders)

The Williams Act provisions of the 1934 Act deal generally with tender offers, which are not discussed in this summary. The Williams Act also applies to persons beneficially owning more than 5% of the outstanding securities of a 1934 Act-registered class of securities, whether or not the securities were acquired in a tender offer. Persons beneficially owning more than 5% of the outstanding shares are required to file certain disclosure documents and to comply with other substantive provisions.

A person or group of persons acting collectively who otherwise acquires ownership of more than 5% of a class of securities registered under the 1934 Act (such as the Company's common stock) must file with the SEC a Schedule 13D within 10 days after the acquisition which caused ownership to exceed 5%. A copy of this Schedule must be sent to the Company. The Schedule 13D contains information about the acquiring person or group, including information as to how the purchase of the shares was financed and the intentions of the person or controlling group with regard to share ownership in the Company. Amendments to the Schedule 13D must be timely filed in the case of any material changes in the holdings or the intention of the filing person or group with respect to share ownership.

Certain institutional investors or a person or group who acquires more than 5% of a class of securities of a company and can certify the acquisitions are for investment purposes only and not with an intent of influencing control or management of the issuer may file a short-form Schedule 13G (the contents of which are similar to Schedule 13D) within 10 days of the acquisition which caused its ownership to exceed 5%. With limited exceptions, directors and executive officers of an issuer are deemed by the SEC to be ineligible to use Schedule 13G due to their control positions. If material changes in holdings reported on Schedule 13G occur during any calendar year, an amendment to the Schedule 13G is due by the 45th day of the succeeding calendar year.

FORMS TO BE FILED BY OFFICERS AND DIRECTORS

<u>FORM</u>	<u>TRIGGERING EVENT</u>	<u>WHEN FILED</u>	<u>WHERE FILED</u>
Form 3	For each new director, officer or 10% stockholder	Within 10 days of triggering event	Electronic filing with SEC ¹ 1 copy with the Issuer 1 copy with stock exchange ²
Form 4	Any change in beneficial ownership. Mandatory for open market or privately-negotiated purchases or sales, and grants or exercises of options, SARs, restricted stock or phantom stock. Voluntary, but recommended, for gifts, inheritances and other exempt but infrequent transactions.	By 10:00 p.m. on the second business day after the day on which the transaction has been executed.	Electronic filing with SEC ¹ 1 copy with the Issuer 1 copy with stock exchange ²
Form 5	For once-a-year reports of certain exempt transactions such as gifts, inheritances and small acquisitions (under \$10,000). Also used for any transaction not previously reported during the year on a required or voluntary Form 4.	Due annually by the 45 th day following the end of the Issuer's fiscal year, unless no transactions to report.	Electronic filing with SEC ¹ 1 copy with the Issuer 1 copy with stock exchange ²
Form 144	Sale of 500 shares or \$10,000 of securities within any three month period	At time of placing order with broker or executing order directly with market maker	3 copies with SEC on paper (electronic filing is permitted, but not mandatory)

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¹ Filing must be made through the SEC's EDGAR electronic filing system.

² Electronic filing on EDGAR will satisfy the obligation to file a copy with the stock exchange.