

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 8-K**

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**CURRENT REPORT  
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported) **April 4, 2011**

**TRIMAS CORPORATION**  
(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-10716**  
(Commission  
File Number)

**38-2687639**  
(IRS Employer  
Identification No.)

**39400 Woodward Avenue, Suite 130, Bloomfield Hills, Michigan**  
(Address of principal executive offices)

**48304**  
(Zip Code)

Registrant's telephone number, including area code **(248) 631-5400**

**Not Applicable**  
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

SEC 873 (6-04)

**Item 8.01 Other Events.**

On March 15, 2011, the Compensation Committee of TriMas Corporation (the "Corporation") approved and further recommended that the Board of Directors approve and submit the 2011 TriMas Corporation Omnibus Incentive Compensation Plan (the "2011 ICP"), to the shareholders for their approval of the 2011 ICP at the 2011 Annual Meeting of Shareholders on May 10, 2011. Under the 2011 ICP, 850,000 shares of the Corporation's Common Stock, par value \$0.01, would be reserved for issuance. The 2011 ICP is further described in the Corporation's Proxy Statement to be distributed and made available to the shareholders on or about April 5, 2011.

The description of the 2011 TriMas Corporation Omnibus Incentive Compensation Plan above is qualified by the form of 2011 TriMas Corporation Omnibus Incentive Compensation Plan attached hereto and filed herewith as Exhibit 99.1.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits. The following exhibits are filed herewith:

<u>Exhibit No.</u>	<u>Description</u>
99.1	2011 TriMas Corporation Omnibus Incentive Compensation Plan

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TRIMAS CORPORATION

Date: April 4, 2011

By: /s/ Joshua A. Sherbin

Name: Joshua A. Sherbin

Title: Vice President, General Counsel and Secretary

**TRIMAS CORPORATION**  
**2011 OMNIBUS INCENTIVE COMPENSATION PLAN**

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**TRIMAS CORPORATION**

**2011 OMNIBUS INCENTIVE COMPENSATION PLAN**

TriMas Corporation, a Delaware corporation (the “Corporation”), sets forth herein the terms of its 2011 Omnibus Incentive Compensation Plan (the “Plan”), as follows:

**1. PURPOSE.** The Plan is intended to enhance the ability of the Corporation and its Subsidiaries and Affiliates to attract and retain highly qualified Directors, officers, key employees and other persons and to motivate such persons to serve the Corporation and its Subsidiaries and to improve the business results and earnings of the Corporation, by providing to such persons an opportunity to acquire or increase a direct proprietary interest in the operations and future success of the Corporation. To this end, the Plan provides for the grant of stock options, stock appreciation rights, restricted stock, restricted stock units, cash based awards, unrestricted stock and dividend equivalent rights. Any of these awards may, but need not, be made as performance incentives to reward attainment of performance goals in accordance with the terms hereof. Stock options granted under the Plan may be incentive stock options or non-qualified options, as provided herein.

**2. DEFINITIONS.** For purposes of interpreting the Plan and related documents (including Award Agreements), the following definitions shall apply:

2.1 **“Affiliate”** means a person or entity which controls, is controlled by, or is under common control with the individual or entity in question.

2.2 **“Award”** means a grant of an Option, Stock Appreciation Right, Restricted Stock, Restricted Stock Unit, Unrestricted Stock, Cash Based Award or Dividend Equivalent Right under the Plan.

2.3 **“Award Agreement”** means the written document issued by the Corporation or the written agreement between the Corporation and a Participant, which in either case evidences and sets out the terms and conditions of an Award.

2.4 **“Benefit Arrangement”** shall have the meaning set forth in **Section 15** hereof.

2.5 **“Board”** means the Board of Directors of the Corporation.

2.6 **“Cash Based Award”** means a Performance Award that may be settled only in cash.

2.7 **“Cause”** means, unless otherwise provided in an applicable written agreement with the Corporation or a Subsidiary or Affiliate of any the Corporation, (i) a Participant’s conviction of or plea of guilty or *nolo contendere* to a crime constituting a felony under the laws of the United States or any State thereof or any other jurisdiction in which the Corporation or its Subsidiaries conduct business; (ii) a Participant’s willful misconduct in the

performance of his or her duties to the Corporation or its Subsidiaries and failure to cure such breach within thirty (30) days following written notice thereof from the Corporation; (iii) a Participant’s willful failure or refusal to follow directions from the Board (or direct reporting executive) and failure to cure such breach within thirty (30) days following written notice thereof from the Board; or (iv) a Participant’s breach of fiduciary duty to the Corporation or its Subsidiaries for personal profit. Any failure by the Corporation or a Subsidiary to notify a Participant after the first occurrence of an event constituting Cause shall not preclude any subsequent occurrences of such event (or a similar event) from constituting Cause.

2.8 **“Change in Control”** means a change in the ownership or effective control of the Corporation, or a change in the ownership of a substantial portion of the assets of the Corporation, as described in Treas. Reg. Section 1.409A-3(i)(5); *provided*, however, that for purposes of determining whether a change of effective control of the Corporation takes place, the threshold shall be the possession of more than 50% of the total voting power of the stock of the Corporation, and for purposes of determining whether a change in the ownership of a substantial portion of the assets of the Corporation has occurred, the threshold shall be the acquisition of all or substantially all of the assets of the Corporation.

2.9 **“Code”** means the Internal Revenue Code of 1986, as now in effect or as hereafter amended.

2.10 **“Committee”** means the Compensation Committee of the Board, or, if the Board so elects, a different committee of, and designated from time to time by resolution of, the Board, which shall be constituted as provided in **Section 3.1**.

2.11 **“Corporate Transaction”** means (i) the dissolution or liquidation of the Corporation or a merger, consolidation, or reorganization of the Corporation with one or more other entities in which the Corporation is not the surviving entity, (ii) a sale of substantially all of the assets of the Corporation to another person or entity which does not constitute a “related person” to the Corporation, as such term is defined in the Treasury Regulations issued in connection with Section 409A of the Code, or (iii) any transaction (including without limitation a merger or reorganization in which the Corporation is the surviving entity) which results in any person or entity (other than persons who are stockholders or Affiliates immediately prior to the transaction) owning more than 50% of the combined voting power of all classes of stock of the Corporation.

2.12 **“Corporation”** means TriMas Corporation, a Delaware corporation.

2.13 **“Covered Employee”** means a Participant who is a Covered Employee within the meaning of Section 162(m)(3) of the Code.

2.14 **“Disability”** means a Participant’s physical or mental condition resulting from any medically determinable physical or mental impairment that renders such Participant incapable of engaging in any substantial gainful employment and that can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than 365

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days. Notwithstanding the foregoing, a Participant shall not be deemed to be Disabled as a result of any condition that:

(a) was contracted, suffered, or incurred while such Participant was engaged in, or resulted from such Participant having engaged in, a felonious activity;

(b) resulted from an intentionally self-inflicted injury or an addiction to drugs, alcohol, or substances which are not administered under the direction of a licensed physician as part of a medical treatment plan; or

(c) resulted from service in the Armed Forces of the United States for which such Participant received or is receiving a disability benefit or pension from the United States, or from service in the armed forces of any other country irrespective of any disability benefit or pension.

The Disability of a Participant and the date on which a Participant ceases to be employed by reason of Disability shall be determined by the Corporation, in accordance with uniform principles consistently applied, on the basis of such evidence as the Committee and the Corporation deem necessary and desirable, and its good faith determination shall be conclusive for all purposes of the Plan. The Committee or the Corporation shall have the right to require a Participant to submit to an examination by a physician or physicians and to submit to such reexaminations as the Committee or the Corporation shall require in order to make a determination concerning the Participant’s physical or mental condition; provided, however, that a Participant may not be required to undergo a medical examination more often than once each 180 days. If any Participant engages in any occupation or employment (except for rehabilitation as determined by the Committee) for remuneration or profit, which activity would be inconsistent with the finding of Disability, or if the Committee, on the recommendation of the Corporation, determines on the basis of a medical examination that a Participant no longer has a Disability, or if a Participant refuses to submit to any medical examination properly requested by the Committee or the Corporation, then in any such event, the Participant shall be deemed to have recovered from such Disability. The Committee in its discretion may revise this definition of “Disability” for any grant, except to the extent that the Disability is a payment event under a 409A Award, in which event the definition of “Disability” in Treas. Reg. Section 1.409A-3(i)(4) shall apply and cannot be changed after the 409A Award is granted.

2.15 **“Dividend Equivalent Right”** means a right, granted to a Participant under **Section 13** hereof, to receive cash, Stock, other Awards or other property equal in value to dividends paid with respect to a specified number of shares of Stock, or other periodic payments.

2.16 **“Effective Date”** means the date that the Plan is approved by the stockholders of the Corporation, provided that such date is not more than one year after the approval of the Plan by the Board.

2.17 **“Exchange Act”** means the Securities Exchange Act of 1934, as now in effect or as hereafter amended.

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2.18 **“Fair Market Value”** means the value of a share of Stock, determined as follows: if on the Grant Date or other determination date the Stock is listed on an established national or regional share exchange, is admitted to quotation on the Nasdaq Stock Market (“Nasdaq”) or is publicly traded on an established securities market, the Fair Market Value of a share of Stock shall be the closing price of the Stock on such exchange or in such market (if there is more than one such exchange or market the Committee shall determine the appropriate exchange or market) on the Grant Date or such other determination date (or if there is no such reported closing price, the Fair Market Value shall be the mean between the highest bid and lowest asked prices or between the high and low sale prices on such trading day) or, if no sale of Stock is reported for such trading day, on the next preceding day on which any sale shall have been reported. If the Stock is not listed on such an exchange, quoted on such system or traded on such a market, Fair Market Value shall be the value of the Stock as determined by the Committee in good faith; provided that such valuation with respect to any Award that the Corporation intends to be a stock right not providing for the deferral of compensation under Treas. Reg. Section 1.409A-1(b)(5)(i) (Non-Qualified Options or Stock Appreciation Right) shall be determined by the reasonable application of a reasonable valuation method, as described in Treas. Reg. Section 1.409A-1(b)(5)(iv)(B).

2.19 **“Family Member”** means a person who is a spouse, former spouse, child, stepchild, grandchild, parent, stepparent, grandparent, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother, sister, brother-in-law, or sister-in-law, including adoptive relationships, of the Participant, any person sharing the Participant’s household (other than a tenant or employee), a trust in which any one or more of these persons have more than fifty percent of the beneficial interest, a foundation in which any one or more of these persons (or the Participant) control the management of assets, and any other entity in which one or more of these persons (or the Participant) own more than fifty percent of the voting interests.

2.20 **“409A Award”** means any Award that is treated as a deferral of compensation subject to the requirements of Code Section 409A.

2.21 **“Grant Date”** means the date on which the Committee approves an Award or such later date as may be specified by the Committee.

2.22 **“Incentive Stock Option”** means an “incentive stock option” within the meaning of Section 422 of the Code, or the corresponding provision of any subsequently enacted tax statute, as amended from time to time.

2.23 **“Non-Qualified Option”** means an Option that is not an Incentive Stock Option.

2.24 **“Option”** means an option to purchase Stock pursuant to the Plan.

2.25 **“Option Price”** means the exercise price for each share of Stock subject to an Option.

2.26 **“Other Agreement”** shall have the meaning set forth in **Section 15**

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hereof.

2.27 **“Outside Director”** means a member of the Board who is not an officer or employee of the Corporation or of any Affiliate of the Corporation.

2.28 **“Participant”** means a person who receives or holds an Award under the Plan.

2.29 **“Performance Award”** means an Award made subject to the attainment of performance goals (as described in **Section 14**) over a performance period of up to 10 years.

2.30 **“Plan”** means this TriMas Corporation 2011 Omnibus Incentive Compensation Plan.

2.31 **“Restricted Stock”** means Stock awarded to a Participant pursuant to **Section 10** hereof.

2.32 **“Restricted Stock Unit”** means a bookkeeping entry representing the equivalent of a share of Stock awarded to a Participant pursuant to **Section 10** hereof.

2.33 **“Retirement”** means termination of Service with the consent of the Committee on or after age 55, or any other definition established by the Compensation Committee, in its discretion, either in any Award or in writing after the grant of any Award, provided that the definition of Retirement with respect to the timing of payment (and not merely vesting) of any 409A Award cannot be changed after the Award is granted.

2.34 **“SAR Exercise Price”** means the per share exercise price of an SAR granted to a Participant under **Section 9** hereof.

2.35 **“Securities Act”** means the Securities Act of 1933, as now in effect or as hereafter amended.

2.36 **“Service”** means service as a Service Provider to the Corporation or a Subsidiary or Affiliate of the Corporation. Unless otherwise stated in the applicable Award Agreement, a Participant’s change in position or duties shall not result in interrupted or terminated Service, so long as such Participant continues to be a Service Provider to the Corporation or a Subsidiary or Affiliate of the Corporation. Subject to the preceding sentence, whether a termination of Service shall have occurred for purposes of the Plan shall be determined by the Committee, which determination shall be final, binding and conclusive. With respect to the timing of payment (and not merely vesting) of any 409A Award, whether a termination of Service shall have occurred shall be determined in accordance with the definition of “Separation from Service” under Treas. Reg. Section 1.409A-1(h).

2.37 **“Service Provider”** means an employee, officer or Director of the Corporation or a Subsidiary or Affiliate of the Corporation, or a consultant or adviser providing services to the Corporation or a Subsidiary or Affiliate of the Corporation.

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2.38 **“Stock”** means the common stock, \$0.01 par value per share, of the Corporation.

2.39 **“Stock Appreciation Right”** or **“SAR”** means a right granted to a Participant under **Section 9** hereof.

2.40 **“Subsidiary”** means any “subsidiary corporation” of the Corporation within the meaning of Section 424(f) of the Code.

2.41 **“Substitute Awards”** means Awards granted upon assumption of, or in substitution for, outstanding awards previously granted by a company or other entity acquired by the Corporation or a Subsidiary or Affiliate of the Corporation or with which the Corporation or a Subsidiary or Affiliate of the Corporation combines.

2.42 **“Ten Percent Stockholder”** means an individual who owns more than ten percent (10%) of the total combined voting power of all classes of outstanding shares of the stock of the Corporation or any of its Subsidiaries. In determining stock ownership, the attribution rules of Section 424(d) of the Code shall be applied.

2.43 **“Termination Date”** means the date upon which an Option shall terminate or expire, as set forth in **Section 8.3** hereof.

2.44 **“Unrestricted Stock Award”** means an Award pursuant to **Section 11** hereof.

### 3. ADMINISTRATION OF THE PLAN

**3.1. Committee.** The Plan shall be administered by or pursuant to the direction of the Committee. The Committee shall have such powers and authorities related to the administration of the Plan as are consistent with the governing documents of the Corporation and applicable law. The Committee shall have full power and authority, in its sole discretion, to take all actions and to make all determinations required or provided for under the Plan, any Award or any Award Agreement and shall have full power and authority, in its sole discretion, to take all such other actions and make all such other determinations not inconsistent with the specific terms and provisions of the Plan that the Committee deems to be necessary or appropriate to the administration of the Plan, any Award or any Award Agreement. All such actions and determinations shall be by the affirmative vote of a majority of the members of the Committee present at a meeting or by unanimous consent of the Committee executed in writing in accordance with the Corporation's governing documents and applicable law; provided, that subject to the governing documents of the Corporation and applicable law, the Committee may delegate all or any portion of its authority under the Plan to a subcommittee of Directors and/or officers of the Corporation for the purposes of determining or administering Awards granted to persons who are not then subject to the reporting requirements of Section 16 of the Exchange Act and who are also not Covered Employees. The interpretation and construction by the Committee of any provision of the Plan, any Award or any Award Agreement shall be final, binding and

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conclusive. The Committee shall consist of not less than two (2) members of the Board, which members shall be "Non-Employee Directors" as defined in Rule 16b-3 under the Exchange Act (or such greater number of members which may be required by said Rule 16b-3), which members shall be "outside directors" within the meaning of Treas. Reg. Section 1.162-27(e)(3), and which members shall qualify as "independent" under any applicable stock exchange rules.

**3.2. Terms of Awards.** Subject to the other terms and conditions of the Plan, the Committee shall have full and final authority to:

- (i) designate Participants,
- (ii) determine the type or types of Awards to be made to a Participant,
- (iii) determine the number of shares of Stock to be subject to an Award,
- (iv) establish the terms and conditions of each Award (including, but not limited to, the exercise price of any Option, the nature and duration of any restriction or condition (or provision for lapse thereof) relating to the vesting, exercise, transfer, or forfeiture of an Award or the Stock subject thereto, and any terms or conditions that may be necessary to qualify Options as Incentive Stock Options) or to ensure exemption from or compliance with Code Section 409A,
- (v) prescribe the form of each Award Agreement evidencing an Award, and
- (vi) amend, modify, or supplement the terms of any outstanding Award. Notwithstanding the foregoing, no amendment, modification or supplement of any Award shall, without the consent of the Participant, impair the Participant's rights under such Award, subject to the requirements of Code Section 409A any Award that was excluded from Code Section 409A coverage upon grant, or cause any 409A Award that complies with Code Section 409A upon grant to cease to so qualify.

To assure the viability of Awards granted to Participants in foreign countries, the Committee may provide for such special terms as it may consider necessary or appropriate to accommodate differences in local law, tax policy or custom. Further, the Committee may approve such supplements to, or amendments, restatements or alternative versions of, the Plan as it may consider necessary or appropriate for such purposes without thereby affecting the terms of the Plan as in effect for any other purpose; *provided*, that no such supplements, amendments, restatements or alternative versions shall increase the share limitations contained in the Plan.

The Corporation may retain the right in an Award Agreement to cause a forfeiture of the gain realized by a Participant on account of actions taken by the Participant in violation or breach of or in conflict with any employment agreement, non-competition agreement, any agreement prohibiting solicitation of employees, customers or others of the Corporation or a Subsidiary or Affiliate of the Corporation or any confidentiality obligation with respect to the Corporation or a Subsidiary or Affiliate of the Corporation or otherwise in competition with the

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Corporation or a Subsidiary or Affiliate of the Corporation, to the extent specified in such Award Agreement applicable to the Participant. Furthermore, unless the Committee provides otherwise in the applicable Award Agreement, the Corporation may annul an Award if the Participant is an employee of the Corporation or a Subsidiary or Affiliate of the Corporation and is terminated for Cause as defined in the applicable Award Agreement or the Plan, as applicable.

Notwithstanding the foregoing, no amendment or modification may be made to an outstanding Option or SAR which reduces the Option Price or SAR Exercise Price, either by lowering the Option Price or SAR Exercise Price or by canceling the outstanding Option or SAR and granting a replacement or substitute Option or SAR with a lower exercise price without the approval of Corporation's stockholders, provided, that, appropriate adjustments may be made to outstanding Options and SARs pursuant to **Section 17**.

**3.3. Deferral Arrangement.** The Committee may permit or require the deferral of any award payment into a deferred compensation arrangement, subject to compliance with Section 409A, where applicable, and such rules and procedures as it may establish, which may include provisions for the payment or crediting of interest or dividend equivalents, including converting such credits into deferred Stock equivalents and restricting deferrals to comply with hardship distribution rules affecting 401(k) plans. Notwithstanding the foregoing, no deferral shall be allowed if the deferral opportunity would violate Code Section 409A.

**3.4. No Liability.** No member of the Board or of the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any Award or Award Agreement.

**3.5. Book Entry.** Notwithstanding any other provision of this Plan to the contrary, the Corporation or a Subsidiary or Affiliate of the Corporation may elect to satisfy any requirement under this Plan for the delivery of Stock certificates through the use of book-entry.

#### **4. SHARES OF STOCK SUBJECT TO THE PLAN**

Subject to adjustment as provided in **Section 17** hereof, the aggregate number of shares of Stock available for issuance under the Plan shall be Eight Hundred Fifty Thousand (850,000); *provided, however*, that for every share of Stock subject to Awards of Restricted Stock, Restricted Stock Units, Dividend Equivalent Rights (except for Dividend Equivalent Rights settled only in cash and relating to Awards otherwise counted pursuant to this proviso) and Unrestricted Stock under this Plan, the shares of Stock available for grant hereunder shall be reduced by 1.75 shares of Stock (including the one share of Stock subject to issuance). Shares of Stock issued or to be issued under the Plan shall be authorized but unissued Stock or issued Stock that has been reacquired by the Corporation or a Subsidiary or Affiliate of the Corporation. If any Stock covered by an Award is not purchased or is forfeited, or if an Award otherwise terminates without delivery of Stock subject thereto, then the number of shares of Stock related to such Award and subject to such forfeiture or termination shall not be counted against the limit set forth above (or included for purposes of the calculation in the proviso, above), but shall again be available for making Awards under the Plan. There shall not be added back to the number of shares of Stock available for issuance under the Plan: (x) shares of Stock that are subject to an

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Option or a share-settled Stock Appreciation Right and are not issued upon the net settlement or net exercise of such Option or Stock Appreciation Right; (y) shares of Stock delivered to or withheld by the Corporation or a Subsidiary or Affiliate of the Corporation to pay the exercise price or the withholding taxes under Options or Stock Appreciation Rights; or (z) shares of Stock repurchased on the open market with the proceeds of an Option exercise.

The Committee shall have the right to substitute or assume Awards in connection with mergers, reorganizations, separations, or other transactions to which Section 424(a) of the Code applies. The number of shares of Stock reserved pursuant to **Section 4** may be increased by the corresponding number of Awards assumed and, in the case of a substitution, by the net increase in the number of shares of Stock subject to Awards before and after the substitution.

#### **5. EFFECTIVE DATE, DURATION AND AMENDMENTS**

**5.1. Effective Date.** The Plan shall be effective as of the Effective Date.

**5.2. Term.** The Plan shall terminate automatically ten (10) years after the Effective Date and may be terminated on any earlier date as provided in **Section 5.3**. Except as provided in **Section 5.3**, the termination of the Plan shall not affect any Award outstanding on the date of such termination.

**5.3. Amendment and Termination of the Plan.** The Board may, at any time and from time to time, amend, suspend, or terminate the Plan as to any Stock as to which Awards have not been made. An amendment shall be contingent on approval of the Corporation's stockholders to the extent stated by the Board, required by applicable law or required by applicable stock exchange listing requirements. In addition, an amendment will be contingent on approval of the Corporation's stockholders if the amendment would: (i) materially increase the benefits accruing to Participants under the Plan, (ii) increase the number of shares of Stock that may be issued under the Plan in the aggregate or to any Participant, (iii) modify the requirements as to eligibility for participation in the Plan, or (iv) except as permitted pursuant to the provisions of **Section 17**, reduce the Option Price of any previously granted Option or the grant price of any previously granted SAR, cancel any previously granted Options or SARs and grant substitute Options or SARs with a lower Option Price than the canceled Options or a lower grant price than the canceled SARs, or exchange any Options or SARs for cash, other awards, or Options or SARs with an Option Price or grant price that is less than the exercise price of the original Options or SARs. No Awards shall be made after termination of the Plan. No amendment, suspension or termination of the Plan shall (i) without the consent of the Participant, impair rights or obligations under any Award theretofore awarded under the Plan, except as set forth in any Award Agreement or to bring the Plan and/or an Award into compliance with the requirements of Code Section 409A or to qualify for an exception under Code Section 409A, nor (ii) accelerate any payment under any 409A Award except as otherwise permitted under Treas. Reg. Section 1.409A-3(j).

#### **6. AWARD ELIGIBILITY AND LIMITATIONS**

**6.1. Service Providers and Other Persons.** Subject to this **Section 6**, Awards

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may be made under the Plan to: (i) any Service Provider to the Corporation or a Subsidiary or Affiliate of the Corporation, including any Service Provider who is an officer or Director of the Corporation or a Subsidiary or Affiliate of the Corporation, as the Committee shall determine and designate from time to time or (ii) any Outside Director; *provided, however*, that (i) Incentive Stock Options may be granted only to key employees of the Corporation or Subsidiaries of the Corporation, and (ii) Non-Qualified Options and Stock Appreciation Rights intended to not provide for the deferral of compensation under Treas. Reg. Section 1.409A-1(b)(5)(i) may only be granted to a Service Provider in respect of whom the Stock to which such grant relates is "service recipient stock" under Treas. Reg. Section 1.409A-1(b)(5)(iii).

**6.2. Successive Awards and Substitute Awards.** An eligible person may receive more than one Award, subject to such restrictions as are provided herein. Notwithstanding **Sections 8.1** and **9.1**, the Option Price of an Option or the grant price of an SAR that is a Substitute Award may be less than 100% of the Fair Market Value of a share of Stock on the original Grant Date provided that the Option Price or grant price is determined in accordance with the principles of Code Sections 424, 422, 409A and 162(m) and the regulations thereunder.

**6.3. Limitation on Stock Subject to Awards.** During any time when the Corporation has a class of equity security registered under Section 12 of the Exchange Act:

(i) the maximum number of shares of Stock subject to Options or SARs that can be awarded under the Plan to any person eligible for an Award under **Section 6** hereof is three hundred fifty thousand (350,000) per calendar year; and

(ii) the maximum number of shares of Stock that can be awarded under the Plan, other than pursuant to an Option or SARs, to any person eligible for an Award under **Section 6** hereof is two hundred thousand (200,000) per calendar year.

The preceding limitations in this **Section 6.3** are subject to adjustment as provided in **Section 17** hereof. For purposes of the preceding limitations in this **Section 6.3**, all shares with respect to which an Award is granted shall be counted, regardless of whether the Participant did not realize the benefit of the Award as a result of forfeiture, cancellation, expiration, termination or other event. If an Option or SAR is modified after grant to reduce its exercise price or grant value, the modified Option or SAR shall be treated as a newly granted Option or SAR for purposes of the preceding limitations in this **Section 6.3**, with the shares covered by both the original and the modified grant counting against the number of shares available under the limitations in this **Section 6.3**.

## 7. AWARD AGREEMENT

Each Award granted pursuant to the Plan shall be evidenced by an Award Agreement, in such form or forms as the Committee shall from time to time determine. Award Agreements granted from time to time or at the same time need not contain similar provisions but shall be consistent with the terms of the Plan. Each Award Agreement evidencing an Award of Options shall specify whether such Options are intended to be Non-Qualified Options or

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Incentive Stock Options, and in the absence of such specification such options shall be deemed Non-Qualified Options.

## 8. TERMS AND CONDITIONS OF OPTIONS

**8.1. Option Price.** The Option Price of each Option shall be fixed by the Committee and stated in the Award Agreement evidencing such Option. The Option Price of each Option shall be at least the Fair Market Value on the Grant Date of a share of Stock; *provided, however*, that in the event that a Participant is a Ten Percent Stockholder, the Option Price of an Option granted to such Participant that is intended to be an Incentive Stock Option shall be not less than 110 percent of the Fair Market Value of a share of Stock on the Grant Date.

**8.2. Vesting.** Subject to **Sections 8.3, 8.4, 8.5 and 17.3** hereof, each Option granted under the Plan shall become exercisable at such times and under such conditions (including based on achievement of performance goals and/or future service requirements) as shall be determined by the Committee and stated in the Award Agreement. For purposes of this **Section 8.2**, fractional numbers of shares of Stock subject to an Option shall be rounded to the next nearest whole number.

**8.3. Term.** Each Option granted under the Plan shall terminate, and all rights to purchase Stock thereunder shall cease, upon the expiration of ten years from the date such Option is granted, or under such circumstances and on such date prior thereto as is set forth in the Plan or as may be fixed by the Committee and stated in the Award Agreement relating to such Option (the "Termination Date"); *provided, however*, that in the event that the Participant is a Ten Percent Stockholder, an Option granted to such Participant that is intended to be an Incentive Stock Option shall not be exercisable after the expiration of five years from its Grant Date.

**8.4. Termination of Service.** Unless the Committee otherwise provides in an Award Agreement or in a written agreement with the Participant after the Award Agreement is issued, upon the termination of a Participant's Service, any Option held by such Participant that has not vested shall immediately be deemed forfeited and any otherwise vested Option or unexercised portion thereof shall terminate three (3) months after the date of such termination of Service, but in no event later than the date of expiration of the Option. If a Participant's Service is terminated for Cause, the Option or unexercised portion thereof shall terminate as of the date of such termination. Unless the Committee otherwise provides in an Award Agreement or in a written agreement with the Participant after the Award Agreement is issued, if a Participant's Service is terminated (i) due to Disability, the Option shall continue in accordance with its terms and shall expire upon its normal date of expiration (except that an Incentive Stock Option shall cease to be an Incentive Stock Option upon the expiration of twelve (12) months from the date of the Participant's termination due to Disability and thereafter shall be a Non-Qualified Option) or (ii) due to death, any Option of the deceased Participant shall continue in accordance with its terms, may be exercised, to the extent of the number of shares of Stock with respect to which he/she could have exercised the Option on the date of his/her death, by his/her estate, personal representative or beneficiary who acquires the Option by will or by the laws of descent and distribution, and shall expire on its normal date of expiration unless previously exercised (except that an Incentive Stock Option shall cease to be an Incentive Stock Option upon the expiration of

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twelve (12) months from the date of the Participant's death and thereafter shall be a Non-Qualified Option). Such provisions shall be determined in the sole discretion of the Committee, need not be uniform among all Options issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination of Service.

**8.5. Change in Control.** The Committee may provide in an Award Agreement or in a written agreement with the Participant after the Award Agreement is issued, that in the event of a Change in Control, a Participant's unvested Options shall become fully vested and may be exercised until their normal date of expiration.

**8.6. Limitations on Exercise of Option.** Notwithstanding any other provision of the Plan, in no event may any Option be exercised, in whole or in part, after the occurrence of an event referred to in **Section 17** hereof which results in termination of the Option.

**8.7. Method of Exercise.** An Option that is exercisable may be exercised by the Participant's delivery to the Corporation of written notice of exercise on any business day, at the Corporation's principal office, on the form or by any other mechanism specified by the Committee. Such notice shall specify the number of shares of Stock with respect to which the Option is being exercised and, except to the extent provided in **Section 12.3** or **Section 12.4**, shall be accompanied by payment in full of the Option Price of the Stock for which the Option is being exercised plus the amount (if any) of federal and/or other taxes which the Corporation or an Affiliate may, in its judgment, be required to withhold with respect to an Award.

**8.8. Rights of Holders of Options.** Unless otherwise stated in the applicable Award Agreement, a Participant holding or exercising an Option shall have none of the rights of a stockholder (for example, the right to receive cash or dividend payments or distributions attributable to the subject Stock or to direct the voting of the subject Stock) until the Stock covered thereby is fully paid and issued to the Participant. Except as provided in **Section 17** hereof, no adjustment shall be made for dividends, distributions or other rights for which the record date is prior to the date of such issuance.

**8.9. Delivery of Stock Certificates.** Promptly after the exercise of an Option to purchase Stock by a Participant and the payment in full of the Option Price, unless the Corporation shall then have uncertificated Stock, such Participant shall be entitled to the issuance of a Stock certificate or certificates evidencing his/her ownership of the Stock purchased upon such exercise.

**8.10. Transferability of Options.** Except as provided in **Section 8.11**, during the lifetime of a Participant, only the Participant (or, in the event of legal incapacity or incompetency, the Participant's guardian or legal representative) may exercise an Option. Except as provided in **Section 8.11**, no Option shall be assignable or transferable by the Participant to whom it is granted, other than by will or the laws of descent and distribution.

**8.11. Family Transfers.** If authorized in the applicable Award Agreement, a Participant may transfer, not for value, all or part of an Option which is not an Incentive Stock Option to any Family Members. For the purpose of this **Section 8.11**, a "not for value" transfer

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is a transfer which is (i) a gift to a trust for the benefit of the participant and/or one or more Family Members, or (ii) a transfer under a domestic relations order in settlement of marital property rights. Following a transfer under this **Section 8.11**, any such Option shall continue to be subject to the same terms and conditions as were applicable immediately prior to transfer. Subsequent transfers of transferred Options are prohibited except in accordance with this **Section 8.11** or by will or the laws of descent and distribution. The events of termination of Service of **Section 8.4** hereof shall continue to be applied with respect to the original Participant, following which the Option shall be exercisable by the transferee only to the extent, and for the periods specified, in **Section 8.4**.

**8.12. Limitations on Incentive Stock Options.** An Option shall constitute an Incentive Stock Option only (i) if the Participant of such Option is an employee of the Corporation or any Subsidiary of the Corporation; (ii) to the extent specifically provided in the related Award Agreement; and (iii) to the extent that the aggregate Fair Market Value (determined at the time the Option is granted) of the Stock with respect to which all Incentive Stock Options held by such Participant become exercisable for the first time during any calendar year (under the Plan and all other plans of the Participant's employer and its Affiliates) does not exceed \$100,000. This limitation shall be applied by taking Options into account in the order in which they were granted.

## 9. TERMS AND CONDITIONS OF STOCK APPRECIATION RIGHTS

**9.1. Right to Payment and Grant Price.** An SAR shall confer on the Participant to whom it is granted a right to receive, upon exercise thereof, the excess of (A) the Fair Market Value of one share of Stock on the date of exercise over (B) the grant price of the SAR as determined by the Committee. The Award Agreement for an SAR shall specify the grant price of the SAR, which shall be at least the Fair Market Value of a share of Stock on the Grant Date. SARs may be granted in conjunction with all or part of an Option granted under the Plan or at any subsequent time during the term of such Option, in conjunction with all or part of any other Award or without regard to any Option or other Award.

**9.2. Other Terms.** The Committee shall determine at the Grant Date or thereafter, the time or times at which and the conditions under which an SAR may be exercised (including based on achievement of performance goals and/or future service requirements), the time or times at which SARs shall cease to be or become exercisable following termination of Service or upon other conditions (provided that no SAR shall be exercisable following the tenth anniversary of its Grant Date), the method of exercise, method of settlement, form of consideration payable in settlement, method by or forms in which Stock will be delivered or deemed to be delivered to Participants, whether or not an SAR shall be in tandem or in combination with any other Award, and any other terms and conditions of any SAR.

## 10. TERMS AND CONDITIONS OF RESTRICTED STOCK AND RESTRICTED STOCK UNITS

**10.1. Grant of Restricted Stock or Restricted Stock Units.** Awards of Restricted Stock or Restricted Stock Units may be made to eligible persons. Restricted Stock or

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Restricted Stock Units may also be referred to as performance stock or performance stock units. If so indicated in the Award Agreement at the time of grant, a Participant may vest in more than 100% of the number of Restricted Stock Units awarded to the Participant.

**10.2. Restrictions.** At the time an Award of Restricted Stock or Restricted Stock Units is made, the Committee may, in its sole discretion, establish a period of time (a "restricted period") applicable to such Restricted Stock or Restricted Stock Units, during which a portion of the Stock related to such Award shall become nonforfeitable or vest, on each anniversary of the Grant Date or otherwise, as the Committee may deem appropriate. Each Award of Restricted Stock or Restricted Stock Units may be subject to a different restricted period. The Committee may, in its sole discretion, at the time a grant of Restricted Stock or Restricted Stock Units is made, prescribe restrictions in addition to or other than the expiration of the restricted period, including the satisfaction of corporate or individual performance conditions, which may be applicable to all or any portion of the Restricted Stock or Restricted Stock Units in accordance with **Section 14.1** and **14.2**. Neither Restricted Stock nor Restricted Stock Units may be sold, transferred, assigned, pledged or otherwise encumbered or disposed of during the restricted period or prior to the satisfaction of any other restrictions prescribed by the Committee with respect to such Restricted Stock or Restricted Stock Units. Each Participant may designate a beneficiary for the Restricted Stock or Restricted Stock Units awarded to him or her under the Plan. If a Participant fails to designate a beneficiary, the Participant shall be deemed to have designated his or her estate as his or her beneficiary.

**10.3. Restricted Stock Certificates.** The Corporation shall issue, in the name of each Participant to whom Restricted Stock has been granted, Stock certificates representing the total number of shares of Restricted Stock granted to the Participant, as soon as reasonably practicable after the

Grant Date. The Committee may provide in an Award Agreement that either (i) the Corporation shall hold such certificates for the Participant's benefit until such time as the Restricted Stock is forfeited to the Corporation or the restrictions lapse, or (ii) such certificates shall be delivered to the Participant, *provided, however*, that such certificates shall bear a legend or legends that comply with the applicable securities laws and regulations and makes appropriate reference to the restrictions imposed under the Plan and the Award Agreement.

**10.4. Rights of Holders of Restricted Stock.** Unless the Committee otherwise provides in an Award Agreement, holders of Restricted Stock shall have the right to vote such Stock and the right to receive any dividends or distributions declared or paid with respect to such Stock; provided, that the right to receive dividends or distributions with respect to a performance-based Award shall only be granted to Participants if and to the extent that the underlying Award vests. All distributions, if any, received by a Participant with respect to Restricted Stock as a result of any stock split, stock dividend, combination of stock, or other similar transaction shall be subject to the restrictions applicable to the original Award.

**10.5. Rights of Holders of Restricted Stock Units.**

**10.5.1. Dividend Rights.** Unless the Committee otherwise provides in an Award Agreement, holders of Restricted Stock Units shall have no rights as stockholders of the

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Corporation. The Committee may provide in an Award Agreement evidencing a grant of Restricted Stock Units that the holder of such Restricted Stock Units shall be entitled to receive, upon the payment of a cash dividend or distribution on outstanding Stock, or at any time thereafter, a cash payment for each Restricted Stock Unit held equal to the per-share dividend, paid on the Stock in accordance with **Section 13**; provided, that the right to receive dividends or distributions with respect to a performance-based Award shall only be granted to Participants if and to the extent that the underlying Award vests.

**10.5.2. Creditor's Rights.** A holder of Restricted Stock Units shall have no rights other than those of a general creditor of the Corporation. Restricted Stock Units represent an unfunded and unsecured obligation of the Corporation, subject to the terms and conditions of the applicable Award Agreement. Any Award of Restricted Stock Units that is a 409A Award shall comply with the Code Section 409A requirements applicable to nonqualified deferred compensation.

**10.6. Termination of Service.** Unless the Committee otherwise provides in an Award Agreement or in a written agreement with the Participant after the Award Agreement is issued, upon the termination of a Participant's Service, any Restricted Stock or Restricted Stock Units held by such Participant that have not vested, or with respect to which all applicable restrictions and conditions have not lapsed, shall immediately be deemed forfeited. Further, the Award Agreement may specify that the vested portion of the Award shall continue to be subject to the terms of any applicable transfer or other restriction. Upon forfeiture of Restricted Stock or Restricted Stock Units, the Participant shall have no further rights with respect to such Award, including but not limited to any right to vote Restricted Stock or any right to receive dividends with respect to Restricted Stock or Restricted Stock Units.

**10.7. Delivery of Stock Certificates.** Except as otherwise specified in an Award Agreement with respect to a particular Award of Restricted Stock or unless the Corporation shall then have uncertificated Stock, within thirty (30) days of the expiration or termination of the restricted period, a certificate or certificates representing all Stock relating to such Award which have not been forfeited shall be delivered to the Participant or to the Participant's beneficiary or estate, as the case may be. Except as otherwise specified with respect to a particular Award of Restricted Stock Units or unless the Corporation shall then have uncertificated Stock, within thirty (30) days of the satisfaction of the vesting criterion applicable to such Award, a certificate or certificates representing all Stock relating to such Award which have vested shall be issued or transferred to the Participant.

**11. TERMS AND CONDITIONS OF UNRESTRICTED STOCK AWARDS**

The Committee may, in its sole discretion, grant (or sell at such purchase price determined by the Committee) an Unrestricted Stock Award to any Participant pursuant to which such Participant may receive Stock free of any restrictions ("Unrestricted Stock") under the Plan. Unrestricted Stock Awards may be granted or sold as described in the preceding sentence in respect of past services and other valid consideration, or in lieu of, or in addition to, any cash compensation due to such Participant.

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**12. FORM OF PAYMENT FOR OPTIONS**

**12.1. General Rule.** Payment of the Option Price for the Stock purchased pursuant to the exercise of an Option shall be made in cash or in cash equivalents acceptable to the Corporation.

**12.2. Surrender of Stock.** To the extent approved by the Committee in its sole discretion, payment of the Option Price for Stock purchased pursuant to the exercise of an Option may be made all or in part through the tender to the Corporation of Stock, which Stock, if acquired from the Corporation, shall have been held for at least six months at the time of tender and which shall be valued, for purposes of determining the extent to which the Option Price has been paid thereby, at its Fair Market Value on the date of exercise or surrender.

**12.3. Cashless Exercise.** To the extent permitted by law and to the extent permitted by the Committee in its sole discretion, payment of the Option Price for Stock purchased pursuant to the exercise of an Option may be made all or in part by delivery (on a form acceptable to the Committee) of an irrevocable direction to a registered securities broker acceptable to the Corporation to sell Stock and to deliver all or part of the sales proceeds to the Corporation in payment of the Option Price and any withholding taxes described in **Section 18.3**.

**12.4. Other Forms of Payment.** To the extent permitted by the Committee in its sole discretion, payment of the Option Price for Stock purchased pursuant to exercise of an Option may be made in any other form that is consistent with applicable laws, regulations and rules.

**13. TERMS AND CONDITIONS OF DIVIDEND EQUIVALENT RIGHTS**

**13.1. Dividend Equivalent Rights.** A Dividend Equivalent Right is an Award entitling the recipient to receive credits based on cash distributions that would have been paid on the Stock specified in the Dividend Equivalent Right (or other Award to which it relates) if such Stock had been issued to and held by the recipient. A Dividend Equivalent Right may be granted hereunder to any Participant, provided that any Award of Dividend Equivalent Rights that is a 409A Award shall comply with the Code Section 409A requirements applicable to deferred compensation. Dividend Equivalent Rights may not be granted hereunder relating to Stock which is subject to Options or Stock Appreciation Rights. The terms and conditions of Dividend Equivalent Rights shall be specified in the Award. Dividend equivalents credited to the holder of a Dividend Equivalent Right may be paid currently or may be deemed to be reinvested in additional Stock, which may thereafter accrue additional equivalents. Any such reinvestment shall be at Fair Market Value on the date that the distribution otherwise would have been paid. Dividend Equivalent Rights may be settled in cash or Stock or a combination thereof, in a single installment or installments, all determined in the sole discretion of the Committee. A Dividend Equivalent Right granted as a component of another Award may provide that such Dividend Equivalent Right shall be settled upon exercise, settlement, or payment of, or lapse of restrictions on, such other Award, unless such settlement would cause an Award that is otherwise exempt from Code Section 409A to become subject to Code Section 409A (e.g., in the case of a Non-Qualified Option or Stock Appreciation Right). Such Dividend Equivalent Right shall expire or

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be forfeited or annulled under the same conditions as such other Award. A Dividend Equivalent Right granted as a component of another Award may also contain terms and conditions different from such other Award.

**13.2. Termination of Service.** Except as may otherwise be provided by the Committee either in the Award Agreement or in a written agreement with the Participant after the Award Agreement is issued, a Participant's rights in all Dividend Equivalent Rights shall automatically terminate upon the Participant's termination of Service for any reason.

#### **14. TERMS AND CONDITIONS OF PERFORMANCE AWARDS**

**14.1. Performance Conditions.** The right of a Participant to exercise or receive a grant or settlement of any Performance Award, and the timing thereof, may be subject to such corporate or individual performance conditions as may be specified by the Committee. The Committee may use such business criteria and other measures of performance as it may deem appropriate in establishing any performance conditions, and may exercise its discretion to reduce the amounts payable under any Award subject to performance conditions, except as limited under **Sections 14.2** hereof in the case of a Performance Award intended to qualify under Code Section 162(m).

**14.2. Performance Awards Granted to Designated Covered Employees.** If and to the extent that the Committee determines that a Performance Award to be granted to a Participant who is designated by the Committee as likely to be a Covered Employee should qualify as "performance-based compensation" for purposes of Code Section 162(m), the grant, exercise and/or settlement of such Performance Award shall be contingent upon achievement of pre-established performance goals and other terms set forth in this **Section 14.2**.

**14.2.1. Performance Goals Generally.** The performance goals for such Performance Awards shall consist of one or more business criteria and a targeted level or levels of performance with respect to each of such criteria, as specified by the Committee consistent with this **Section 14.2**. Performance goals shall be objective and shall otherwise meet the requirements of Code Section 162(m) and regulations thereunder including the requirement that the level or levels of performance targeted by the Committee result in the achievement of performance goals being "substantially uncertain." The Committee may determine that such Performance Awards shall be granted, exercised and/or settled upon achievement of any one performance goal or that two or more of the performance goals must be achieved as a condition to grant, exercise and/or settlement of such Performance Awards. Performance goals may differ for Performance Awards granted to any one Participant or to different Participants.

**14.2.2. Business Criteria.** Unless and until the Board proposes for stockholder vote and the stockholders approve a change in the general performance measures set forth in this Section 14.2, one or more of the following business criteria for the Corporation, on a consolidated basis, or for specified Subsidiaries or business units of the Corporation or the Corporation (except with respect to the total stockholder return and earnings per share criteria), shall be used exclusively by the Committee in establishing performance goals for such Performance Awards: (a) basic earnings per common share for the Corporation on a

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consolidated basis; (b) diluted earnings per common share for the Corporation on a consolidated basis; (c) total stockholder return; (d) net sales; (e) cost of sales; (f) gross profit; (g) selling, general and administrative expenses; (h) operating profit, alone or as a percentage of sales; (i) income before interest and/or the provision for income taxes; (j) net income; (k) productivity; (l) inventory turnover; (m) return on equity; (n) return on assets; (o) sales of new products; (p) economic value added, or another measure of profitability that considers the cost of capital employed; (q) net cash provided by operating activities; (r) net increase (decrease) in cash and cash equivalents; (s) customer satisfaction; (t) market share; and (u) product quality. Business criteria may be measured on an absolute basis or on a relative basis (i.e., performance relative to peer companies) and on a GAAP or non-GAAP basis.

**14.2.3. Timing For Establishing Performance Goals.** Performance goals shall be established, in writing, not later than 90 days after the beginning of any performance period applicable to such Performance Awards, or at such other date as may be required for "performance-based compensation" under Code Section 162(m).

**14.2.4. Settlement of Performance Awards; Other Terms.** Settlement of such Performance Awards shall be in cash, Stock, other Awards or other property, in the discretion of the Committee. The Committee may, in its discretion, reduce the amount of a settlement otherwise to be made in connection with such Performance Awards. The Committee shall specify in the Award Agreement the circumstances in which such Performance Awards shall be paid or forfeited in the event of termination of Service by the Participant prior to the end of a performance period or settlement of Performance Awards; *provided, however*, that except in the case of death or Disability of a Participant, a Performance Award shall not be earned and paid until after (i) expiration of the applicable performance period and attainment of the applicable performance goals, and (ii) certification by the Committee that the performance goals and any other material terms of the Performance Award have been attained or satisfied. In the case of death or Disability of a Participant, the Committee may determine that the performance goals shall be deemed to have been satisfied on terms determined by the Committee. In the case of Awards that are paid and settled other than in Stock, where the amount or value of the payment is not determined by reference to the value of the Stock to which the Awards relate, the amount paid to any Participant during any calendar year in settlement of any such Awards shall not exceed \$6,000,000.

**14.3. Written Determinations.** All determinations or certifications by the Committee as to the establishment of performance goals, the amount of any Performance Award pool or potential individual Performance Awards and as to the achievement of performance goals relating to Performance Awards shall be made in writing in the case of any Award intended to qualify under Code Section 162(m).

**14.4. Status of Section 14.2 Awards Under Code Section 162(m).** It is the intent of the Corporation that Performance Awards under Section 14.2 hereof granted to persons who are designated by the Committee as likely to be Covered Employees within the meaning of Code Section 162(m) and regulations thereunder shall, if so designated by the Committee, constitute “qualified performance-based compensation” within the meaning of Code Section 162(m) and regulations thereunder. Accordingly, the terms of Section 14.2, including the

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definitions of Covered Employee and other terms used therein, shall be interpreted in a manner consistent with Code Section 162(m) and regulations thereunder. The foregoing notwithstanding, the term Covered Employee as used herein shall mean only a person designated by the Committee, at the time of grant of Performance Awards, as likely to be a Covered Employee with respect to that fiscal year. If any provision of the Plan or any agreement relating to such Performance Awards does not comply or is inconsistent with the requirements of Code Section 162(m) or regulations thereunder, such provision shall be construed or deemed amended to the extent necessary to conform to such requirements.

**15. PARACHUTE LIMITATIONS.** Notwithstanding any other provision of this Plan or of any other agreement, contract, or understanding heretofore or hereafter entered into by a Participant with the Corporation or a Subsidiary or affiliate of the Corporation, except an agreement, contract, policy or understanding hereafter entered into that expressly modifies or excludes application of this paragraph (an “Other Agreement”), and notwithstanding any formal or informal plan or other arrangement for the direct or indirect provision of compensation to the Participant (including groups or classes of Participants or beneficiaries of which the Participant is a member), whether or not such compensation is deferred, is in cash, or is in the form of a benefit to or for the Participant (a “Benefit Arrangement”), if the Participant is a “disqualified individual,” as defined in Section 280G(c) of the Code, any Option, Restricted Stock or Restricted Stock Units held by that Participant and any right to receive any payment or other benefit under this Plan shall not become exercisable or vested (i) to the extent that such right to exercise, vesting, payment, or benefit, taking into account all other rights, payments, or benefits to or for the Participant under this Plan, all Other Agreements, and all Benefit Arrangements, would cause any payment or benefit to the Participant under this Plan to be considered a “parachute payment” within the meaning of Section 280G(b)(2) of the Code as then in effect (a “Parachute Payment”) and (ii) if, as a result of receiving a Parachute Payment, the aggregate after-tax amounts received by the Participant from the Corporation under this Plan, all Other Agreements, and all Benefit Arrangements would be less than the maximum after-tax amount that could be received by the Participant without causing any such payment or benefit to be considered a Parachute Payment. In the event that the receipt of any such right to exercise, vesting, payment, or benefit under this Plan, in conjunction with all other rights, payments, or benefits to or for the Participant under any Other Agreement or any Benefit Arrangement would cause the Participant to be considered to have received a Parachute Payment under this Plan that would have the effect of decreasing the after-tax amount received by the Participant as described in clause (ii) of the preceding sentence, then the Participant shall have the right, in the Participant’s sole discretion, to designate those rights, payments, or benefits under this Plan, any Other Agreements, and any Benefit Arrangements that should be reduced or eliminated so as to avoid having the payment or benefit to the Participant under this Plan be deemed to be a Parachute Payment, provided that any such payment or benefit that is excluded from the coverage of Code Section 409A shall be reduced or eliminated prior to the reduction or elimination of any benefit that is related to a 409A Award.

## **16. REQUIREMENTS OF LAW**

**16.1. General.** The Corporation shall not be required to sell, deliver or cause to be issued any Stock under any Award if the sale or issuance of such Stock would constitute a

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violation by the Participant, any other individual exercising an Option, or the Corporation of any provision of any law or regulation of any governmental authority, including without limitation any federal or state securities laws or regulations. If at any time the Corporation shall determine, in its discretion, that the listing, registration or qualification of any Stock subject to an Award upon any securities exchange or under any governmental regulatory body is necessary or desirable as a condition of, or in connection with, the issuance or purchase of Stock hereunder, no Stock may be issued or sold to the Participant or any other individual exercising an Option pursuant to such Award unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Corporation and any delay caused thereby shall in no way affect the date of termination of the Award. Any determination in this connection by the Corporation shall be final, binding, and conclusive. The Corporation may, but shall in no event be obligated to, cause to be registered any securities covered hereby pursuant to the Securities Act. The Corporation shall not be obligated to take any affirmative action in order to cause the exercise of an Option or the issuance of Stock pursuant to the Plan to comply with any law or regulation of any governmental authority.

**16.2. Rule 16b-3.** During any time when the Corporation has a class of equity security registered under Section 12 of the Exchange Act, it is the intent of the Corporation that Awards pursuant to the Plan and the exercise of Options granted hereunder will qualify for the exemption provided by Rule 16b-3 under the Exchange Act. To the extent that any provision of the Plan or action by the Committee does not comply with the requirements of Rule 16b-3, it shall be deemed inoperative to the extent permitted by law and deemed advisable by the Committee and shall not affect the validity of the Plan. In the event that Rule 16b-3 is revised or replaced, the Board may exercise its discretion to modify this Plan in any respect necessary to satisfy the requirements of, or to take advantage of any features of, the revised exemption or its replacement.

**16.3. Lock-Up Agreement.** If so requested by the Corporation and an underwriter of shares of Stock in connection with any public offering, each Participant agrees not to directly or indirectly offer, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant for the sale of or otherwise dispose of or transfer any shares held by it for such period, not to exceed one hundred eighty (180) days, following the effective date of such public offering of Stock, in each case as such underwriter shall specify reasonably and in good faith.

## **17. EFFECT OF CHANGES IN CAPITALIZATION**

**17.1. Changes in Stock.** If the number of outstanding shares of Stock is increased or decreased or the Stock is changed into or exchanged for a different number or kind of stock or other securities of the Corporation on account of any recapitalization, reclassification, stock split, reverse split, combination of stock, exchange of stock, stock dividend or other distribution payable in capital stock, or other increase or decrease in such Stock effected without receipt of consideration by the Corporation, occurring after the Effective Date, the number and kinds of shares of Stock for which grants of Options and other Awards may be made under the Plan (including the individual limits) shall be adjusted proportionately and accordingly by the Corporation. In addition, the number and kind of shares of Stock for which Awards are

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outstanding shall be adjusted proportionately and accordingly so that the proportionate interest of the Participant immediately following such event shall, to the extent practicable, be the same as immediately before such event. Any such adjustment in outstanding Options or SARs shall not change the aggregate Option Price or SAR Exercise Price payable with respect to Stock that is subject to the unexercised portion of an outstanding Option or SAR, as applicable, but shall include a corresponding proportionate adjustment in the Option Price or SAR Exercise Price per share. The conversion of any convertible securities of the Corporation shall not be treated as an increase in shares of Stock effected without receipt of consideration. Notwithstanding the foregoing, in the event of any distribution to the Corporation's stockholders of securities of any other entity or other assets (including an extraordinary cash dividend but excluding a non-extraordinary dividend payable in cash or in shares of the Corporation) without receipt of consideration by the Corporation, the Corporation may, in such manner as the Corporation deems appropriate, adjust (i) the number and kind of shares of Stock subject to outstanding Awards and/or (ii) the exercise price of outstanding Options and Stock Appreciation Rights to reflect such distribution. Notwithstanding the foregoing, all adjustments under this **Section 17.1** shall comply with Code Sections 409A, 162(m), 422 and 424 and the regulations thereunder.

**17.2. Reorganization in which the Corporation is the Surviving Entity.** Subject to **Section 17.3** hereof, if the Corporation shall be the surviving entity in any reorganization, merger, or consolidation of the Corporation with one or more other entities which does not constitute a Corporate Transaction, any Option or SAR theretofore granted pursuant to the Plan shall pertain to and apply to the securities to which a holder of the number of shares of Stock subject to such Option or SAR would have been entitled immediately following such reorganization, merger, or consolidation, with a corresponding proportionate adjustment of the Option Price or SAR Exercise Price per share so that the aggregate Option Price or SAR Exercise Price thereafter shall be the same as the aggregate Option Price or SAR Exercise Price of the Stock remaining subject to the Option or SAR immediately prior to such reorganization, merger, or consolidation. Subject to any contrary language in an Award Agreement, any restrictions applicable to such Award shall apply as well to any replacement securities received by the Participant as a result of the reorganization, merger or consolidation. In the event of a transaction described in this **Section 17.2**, Restricted Stock Units shall be adjusted so as to apply to the securities that a holder of the number of shares of Stock subject to the Restricted Stock Units would have been entitled to receive immediately following such transaction. Notwithstanding the foregoing, all adjustments under this **Section 17.2** shall comply with Code Sections 409A, 162(m), 422 and 424 and the regulations thereunder.

**17.3. Corporate Transaction.** Subject to the exceptions set forth in the penultimate sentence of this **Section 17.3**, the last sentence of **Section 17.4** and the requirements of Code Sections 409A, 162(m), 422, 424 and the regulations thereunder:

- (i) upon the occurrence of a Corporate Transaction, all outstanding unvested Options, SARs, Restricted Stock and Restricted Stock Units shall be deemed forfeited; provided that
- (ii) either of the following two actions, among others, may be taken, in accordance with Code Section 409A, to the extent applicable:

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(A) prior to the scheduled consummation of a Corporate Transaction, the Committee may provide that all Options and SARs outstanding hereunder shall become immediately exercisable and shall remain exercisable for a specified period, and/or that all outstanding Restricted Stock shall be vested, and/or that all Restricted Stock Units shall be deemed to have vested at their target levels; or

(B) the Committee may elect, in its sole discretion, to cancel any outstanding Awards of Options, Restricted Stock, Restricted Stock Units, and/or SARs and pay or deliver, or cause to be paid or delivered, to the holder thereof an amount in cash or securities having a value (as determined by the Committee acting in good faith), in the case of Restricted Stock or Restricted Stock Units, equal to the formula or fixed price per share of Stock paid to holders of Stock and, in the case of Options or SARs, equal to the product of the number of shares of Stock subject to the Option or SAR (the "Award Stock") multiplied by the amount, if any, by which (I) the formula or fixed price per share of Stock paid to holders of Stock pursuant to such transaction exceeds (II) the Option Price or SAR Exercise Price applicable to such Award Stock.

With respect to the Corporation's establishment of a specified exercise window, (i) any exercise of an Option or SAR during such period shall be conditioned upon the consummation of the event and shall be effective only immediately before the consummation of the event, and (ii) upon consummation of any Corporate Transaction, the Plan and all outstanding but unexercised Options and SARs shall terminate. The Committee shall send written notice of an event that will result in such a termination to all individuals who hold Options and SARs not later than the time at which the Corporation gives notice thereof to its stockholders. This **Section 17.3** shall not apply to any Corporate Transaction to the extent that provision is made in writing in connection with such Corporate Transaction for the assumption or continuation of the Options, SARs, Restricted Stock and Restricted Stock Units theretofore granted, or for the substitution for such Options, SARs, Restricted Stock and Restricted Stock Units of new options, SARs, restricted stock and restricted stock units relating to the shares of a successor entity, or a parent or subsidiary thereof, with appropriate adjustments as to the number of shares (disregarding any consideration that is not common shares) and option and stock appreciation right exercise prices, in which event the Plan, Options, SARs, Restricted Stock and Restricted Stock Units theretofore granted shall continue in the manner and under the terms so provided. Appropriate adjustments shall be made taking into account Code Sections 409A, 162(m), 422 and 424 and the regulations thereunder regarding substitutions and assumptions of stock rights by reason of a corporate transaction.

**17.4. Adjustments.** Adjustments under this **Section 17** related to Stock or other securities of the Corporation shall be made by the Committee, whose determination in that respect shall be final, binding and conclusive. No fractional shares of Stock or other securities shall be issued pursuant to any such adjustment, and any fractions resulting from any such adjustment shall be eliminated in each case by rounding down to the nearest whole share. The Committee shall determine the effect of a Corporate Transaction upon Awards other than Options, SARs, Restricted Stock and Restricted Stock Units and such effect shall be set forth in the appropriate Award Agreement. The Committee may provide in the Award Agreements at the

Grant Date, or any time thereafter with the consent of the Participant, for different provisions to apply to an Award in place of those described in **Sections 17.1, 17.2 and 17.3.**

**17.5. No Limitations on Corporation.** The making of Awards pursuant to the Plan shall not affect or limit in any way the right or power of the Corporation or a Subsidiary or Affiliate of the Corporation to make adjustments, reclassifications, reorganizations, or changes of its capital or business structure or to merge, consolidate, dissolve, or liquidate, or to sell or transfer all or any part of its business or assets.

## **18. GENERAL PROVISIONS**

**18.1. Disclaimer of Rights.** No provision in the Plan or in any Award or Award Agreement shall be construed to confer upon any individual the right to remain in the employ or service of the Corporation or a Subsidiary or Affiliate of the Corporation, or to interfere in any way with any contractual or other right or authority of the Corporation or a Subsidiary or Affiliate of the Corporation either to increase or decrease the compensation or other payments to any individual at any time, or to terminate any employment or other relationship between any individual and the Corporation or a Subsidiary or Affiliate of the Corporation. In addition, notwithstanding anything contained in the Plan to the contrary, unless otherwise stated in the applicable Award Agreement, no Award granted under the Plan shall be affected by any change of duties or position of the Participant, so long as such Participant continues to be a Director, officer, consultant or employee of the Corporation or of a Subsidiary or Affiliate of the Corporation. The obligation of the Corporation to pay any benefits pursuant to this Plan shall be interpreted as a contractual obligation to pay only those amounts described herein, in the manner and under the conditions prescribed herein. The Plan shall in no way be interpreted to require the Corporation to transfer any amounts to a third party or otherwise hold any amounts in Corporation or escrow for payment to any Participant or beneficiary under the terms of the Plan.

**18.2. Nonexclusivity of the Plan.** Neither the adoption of the Plan nor the submission of the Plan to the Corporation's stockholders for approval shall be construed as creating any limitations upon the right and authority of the Board to adopt such other incentive compensation arrangements (which arrangements may be applicable either generally to a class or classes of individuals or specifically to a particular individual or particular individuals) as the Board in its discretion determines desirable, including, without limitation, the granting of options otherwise than under the Plan.

**18.3. Withholding Taxes.** The Corporation or a Subsidiary or Affiliate of the Corporation, as the case may be, shall have the right to deduct from payments of any kind otherwise due to a Participant any federal, state, or local taxes of any kind required by law to be withheld with respect to the vesting of or other lapse of restrictions applicable to an Award or upon the issuance of any Stock upon the exercise of an Option or pursuant to an Award or otherwise. Alternatively, at the time of such vesting, lapse, or exercise, the Participant shall pay to the Corporation or a Subsidiary or Affiliate of the Corporation, as the case may be, any amount that the Corporation or a Subsidiary or Affiliate of the Corporation may reasonably determine to be necessary to satisfy such withholding obligation. The Corporation may elect to,

or may cause a Subsidiary or Affiliate, to withhold Stock otherwise issuable to the Participant in satisfaction of a Participant's withholding obligations at the statutory minimum withholding rate. Subject to the prior approval of the Corporation, which may be withheld by the Corporation in its sole discretion, the Participant may elect to satisfy such obligations, in whole or in part, by delivering to the Corporation or a Subsidiary or Affiliate of the Corporation Stock already owned by the Participant, which Stock, if acquired from the Corporation, shall have been held for at least six months at the time of tender. Any Stock so delivered or withheld shall have an aggregate Fair Market Value equal to such withholding obligations at the statutory minimum withholding rate. The Fair Market Value of the Stock used to satisfy such withholding obligation shall be determined by the Corporation as of the date that the amount of tax to be withheld is to be determined. A Participant who has made an election pursuant to this **Section 18.3** to deliver Stock may satisfy his/her withholding obligation only with Stock that is not subject to any repurchase, forfeiture, unfulfilled vesting, or other similar requirements.

**18.4. Captions.** The use of captions in this Plan or any Award Agreement is for the convenience of reference only and shall not affect the meaning of any provision of the Plan or such Award Agreement.

**18.5. Other Provisions.** Each Award granted under the Plan may contain such other terms and conditions not inconsistent with the Plan as may be determined by the Committee, in its sole discretion.

**18.6. Number and Gender.** With respect to words used in this Plan, the singular form shall include the plural form, the masculine gender shall include the feminine gender, etc., as the context requires.

**18.7. Severability.** If any provision of the Plan or any Award Agreement shall be determined to be illegal or unenforceable by any court of law in any jurisdiction, the remaining provisions hereof and thereof shall be severable and enforceable in accordance with their terms, and all provisions shall remain enforceable in any other jurisdiction.

**18.8. Governing Law.** The validity and construction of this Plan and the instruments evidencing the Awards hereunder shall be governed by the laws of the State of Michigan, other than any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Plan and the instruments evidencing the Awards granted hereunder to the substantive laws of any other jurisdiction.

**18.9. Section 409A of the Code.** The Board intends to comply with Code Section 409A, or an exclusion from Code Section 409A coverage, with regard to Awards hereunder and all provisions herein shall be interpreted accordingly. In the event that any provision of this Plan or of an Award is determined by the Corporation to be subject to and not in compliance with Code Section 409A, the Corporation may amend the Plan or Award to correct such non-compliance to the extent permitted under any guidance, procedure, or other method promulgated by the Internal Revenue Service now or in the future that provides for such correction as a means to avoid or mitigate any taxes, interest, or penalties that otherwise would be incurred by a Participant on account of such non-compliance. In no event shall the

Corporation or a Subsidiary or Affiliate of the Corporation be liable for any additional tax, interest or penalty that may be imposed on a Participant by Code Section 409A or damages for failing to comply with Code Section 409A.

**18.10. Specified Employee.** Notwithstanding any other time of payment or settlement of a 409A Award provided herein or in the Award, if the Participant is deemed on the date of separation from service to be a “specified employee” under Code Section 409A(a)(2)(B), then any payment or settlement of such 409A Award on account of the Participant’s separation from service shall not be made before the earlier of (i) the expiration of the six (6)-month period measured from the date of such separation from service of the Participant, and (ii) the date of the Participant’s death to the extent required under Code Section 409A.

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As adopted and approved by the Board as of March 15, 2011, subject to approval of the Plan by the stockholders of the Corporation as set forth in this Plan.