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

FORM 8-K

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

Date of Report (Date of Earliest Event Reported): December 16, 2021

Montrose Environmental Group, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-39394
(Commission
File Number)

46-4195044
(I.R.S. Employer
Identification No.)

5120 Northshore Drive, North Little Rock, AR
(Address of principal executive offices)

72118
(Zip Code)

(501) 900-6400
(Registrant's telephone number, including area code)

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:

- 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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, \$0.000004 par value per share	MEG	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On December 16, 2021, the board of directors (the “Board”) of Montrose Environmental Group, Inc. (the “Company”) approved the grant of stock appreciation rights (“SARs”) and restricted stock units (“RSUs”) as set forth below to Vijay Manthripragada, Allan Dicks, Nasym Afsari, Joshua LeMaire and Jose Revuelta (the “NEOs”) under the Company’s Amended and Restated 2017 Stock Incentive Plan (the “Plan”). These incentives were designed by the Board, in coordination with the Company’s compensation advisors, to (i) retain the NEOs and other selected employees of the Company for a minimum of 5 years, (ii) reward the NEOs and other selected employees for the Company’s significant outperformance and stockholder value creation in 2021, and (iii) provide incentives to the NEOs and other selected employees of the Company to accelerate value creation for stockholders and other stakeholders over the next five-year period.

Name	SARs (#)	RSUs (#)
Vijay Manthripragada	900,000	632,418
Allan Dicks	330,000	225,864
Nasym Afsari	330,000	225,864
Joshua LeMaire	330,000	234,898
Jose Revuelta	330,000	234,898

The SARs granted to the NEOs have an exercise price equal to \$66.79, the closing price on December 16, 2021, and the earned portion shall vest, if at all, on the fifth (5th) anniversary of the date of grant (the “Vesting Date”) based on achievement of performance hurdles over a five year period, subject to continued service on the Vesting Date. The performance hurdles shall be deemed achieved if the average trading price per share of the Company’s common stock equals or exceeds the applicable stock price performance hurdle set forth below for the trading days falling in a consecutive 20-day period prior to the Vesting Date. The performance hurdles were determined by the Board in order to align the NEOs with the Company’s stockholders, to incentivize extraordinary performance, and to incentivize significant stockholder and other stakeholder value creation.

SAR Stock Price Performance Hurdle	Portion of SARs Subject to Performance Hurdle
\$133.58	1/3
\$166.98	1/3
\$200.37	1/3

The unvested SARs will vest in full and become exercisable immediately prior to the consummation of a change in control (as defined in the Plan) subject to continued service through such date, if and to the extent the performance hurdles have been achieved prior to such date or if the consideration paid in such change in control equals or exceeds the applicable performance hurdle.

With respect to 316,209 of Mr. Manthripragada’s RSUs and all of the other NEOs’ RSUs, fifty percent (50%) vest on each of the fourth (4th) and fifth (5th) anniversaries of the date of grant, subject to continued service through each such date. With respect to the remaining 316,209 of Mr. Manthripragada’s RSUs (the “Performance-Vested RSUs”), fifty percent (50%) vest on each of the fourth (4th) and fifth (5th) anniversaries of the date of grant, subject to continued service through each such date and further subject to achievement of the Performance Criteria (as defined below). If the Performance Criteria is not met prior to the fourth (4th) anniversary of the date of grant, none of the Performance-Vested RSUs will vest at such time, and if the Performance Criteria is subsequently met prior to the fifth (5th) anniversary of the date of grant, all of the Performance-Vested RSUs will vest at such time, subject to continued service through such date. If the Performance Criteria is not met by the fifth (5th) anniversary of the date of grant, all of the Performance-Vested RSUs will be forfeited. The “Performance Criteria” will be met if the Company achieves \$90M in adjusted EBITDA (as reported) for any trailing twelve-month period from and after December 31, 2022, which shall be measured quarterly for purposes of determining if the Performance Criteria has been met.

The unvested RSUs will vest in full upon a change in control, subject to continued service through such date, and, in the case of Mr. Manthripragada's Performance-Vested RSUs, to the extent the Performance Criteria has been satisfied as of the date of such change in control.

The foregoing description of the SARs and RSUs does not purport to be complete and is qualified in its entirety by reference to the full text of the applicable award agreements, copies of which are attached as Exhibits 10.1 and 10.2 to this Current Report on Form 8-K, respectively, and are incorporated by reference herein.

Also on December 16, 2021, the Board approved and reserved for future issuance an aggregate of 135,517 restricted stock units (the "Future RSU Pool") to be granted under the Plan to certain of its executives, including Messrs. Dicks, LeMaire and Revuelta and Ms. Afsari. Final determination and allocation of the awards under the Future RSU Pool will be determined on December 16, 2025 based on individual performance and continued service through such date. Any restricted stock units granted under the Future RSU Pool will vest on December 16, 2026, subject to continued service through such date.

Item 9.01. Financial Statements and Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
10.1	<u>Form of Grant Notice and Standard Terms and Conditions for Performance-Based Stock Appreciation Rights under the Montrose Environmental Group, Inc. Amended and Restated 2017 Stock Incentive Plan.</u>
10.2	<u>Form of Grant Notice and Standard Terms and Conditions for Restricted Stock Units under the Montrose Environmental Group, Inc. Amended and Restated 2017 Stock Incentive Plan.</u>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

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.

Montrose Environmental Group, Inc.

Date: December 21, 2021

By: /s/ Allan Dicks

Name: Allan Dicks

Title: Chief Financial Officer

**MONTROSE ENVIRONMENTAL GROUP, INC.
GRANT NOTICE FOR
AMENDED AND RESTATED 2017 STOCK INCENTIVE PLAN
PERFORMANCE-BASED STOCK APPRECIATION RIGHT**

FOR GOOD AND VALUABLE CONSIDERATION, MONTROSE ENVIRONMENTAL GROUP, INC. (the “**Company**”), hereby grants to Participant named below the number of stock appreciation rights specified below (the “**Award**”) with respect to the Company’s common stock, par value \$0.000004 par value per share (the “**Common Stock**”), at the Exercise Price per share specified below and upon the terms and subject to the conditions set forth in this Grant Notice, the Montrose Environmental Group, Inc. Amended and Restated 2017 Stock Incentive Plan (the “**Plan**”) and the Standard Terms and Conditions (the “**Standard Terms and Conditions**”) adopted under such Plan and provided to Participant, each as amended from time to time. This Award further is granted pursuant to the Plan and is subject to and qualified in its entirety by the Standard Terms and Conditions.

Name of Participant:

Grant Number:

Grant Date:

Number of Stock Appreciation Rights:

Exercise Price:

[\$Closing price on date of grant]

Vesting Schedule:

Subject to the applicable Performance Hurdles having been achieved, the earned portions of the Award shall vest on the fifth (5th) anniversary of the Grant Date, subject further to Participant’s continued service through such date. If any Performance Hurdle is not achieved prior to the fifth (5th) anniversary of the Grant Date, the portion of the Award subject to such Performance Hurdle(s) shall be forfeited on such fifth (5th) anniversary without consideration.

Performance Hurdles:

The following Performance Hurdles shall be deemed achieved if the average closing price per share of Common Stock equals or exceeds the applicable Performance Hurdle set forth below for the trading days falling in a consecutive 20- day period prior to the fifth (5th) anniversary of the Grant Date.

<u>Performance Hurdle</u>	<u>Number of Stock Appreciation Rights Subject to the Performance Hurdle</u>
[2x Exercise Price]	[1/3]
[2.5x Exercise Price]	[1/3]
[3x Exercise Price]	[1/3]

Expiration Date:

[10 year anniversary of date of grant]

Change in Control Treatment:

The unvested portion of this Award shall vest in full and become exercisable immediately prior to the consummation of a Change in Control if and to the extent the Performance Hurdles have been achieved prior to the Change in Control or if the consideration paid in such Change of Control equals or exceeds the Performance Hurdle(s), and subject to the Participant's continued service through such date.

By accepting this Term Sheet, Participant acknowledges that he or she has received and read, and agrees that this Award shall be subject to, the terms of this Term Sheet, the Plan and the Standard Terms and Conditions.

MONTROSE ENVIRONMENTAL GROUP, INC.

By _____
Title: _____

Participant Signature

Address (please print):

MONTROSE ENVIRONMENTAL GROUP, INC.
STANDARD TERMS AND CONDITIONS FOR
PERFORMANCE-BASED STOCK APPRECIATION RIGHTS

These Standard Terms and Conditions apply to the Award of performance-based stock appreciation rights granted pursuant to the Montrose Environmental Group, Inc. Amended and Restated 2017 Stock Incentive Plan (the “**Plan**”), which are evidenced by a Grant Notice. In addition to these Terms and Conditions, the Award shall be subject to the terms of the Plan, which are incorporated into these Standard Terms and Conditions by this reference. Capitalized terms not otherwise defined herein shall have the meaning set forth in the Plan.

1. TERMS OF AWARD

Montrose Environmental Group, Inc., a Delaware corporation (the “**Company**”), has granted to the Participant named in the Grant Notice provided to said Participant herewith (the “**Grant Notice**”) an award of a number of stock appreciation rights (the “**Award**”) specified in the Grant Notice, with each stock appreciation right representing the right to receive, upon exercise, a payment equal to the excess of (a) the Fair Market Value of one share of the Company’s Common Stock, \$0.000004 par value per share (the “**Common Stock**”) on the date of exercise, over (b) the Exercise Price set forth in the Grant Notice, payable, at the Company’s election, in cash or shares of Common Stock. The Award is subject to the terms and subject to the conditions set forth in the Grant Notice, these Standard Terms and Conditions (as amended from time to time), and the Plan specified in the Grant Notice (the “**Plan**”). For purposes of these Standard Terms and Conditions and the Grant Notice, any reference to the Company shall include a reference to any Subsidiary.

2. EXERCISE AND SETTLEMENT OF AWARD

The Award shall not be exercisable as of the Grant Date set forth in the Grant Notice. After the Grant Date, to the extent not previously exercised, and subject to Section 9 of the Plan, the Award shall be exercisable to the extent it becomes vested, as described in the Grant Notice, provided that Participant does not experience a Termination of Employment.

To exercise the Award (or any part thereof), Participant shall deliver a “Notice of Exercise” to the Company specifying the number of whole shares of Common Stock with respect to which the Award is to be exercised and how Participant’s shares of Common Stock should be registered (in Participant’s name only or in Participant’s and Participant’s spouse’s names as community property, as joint tenants with right of survivorship, or such other form of personal ownership allowed by the Company in the Participant’s locality or state of residence).

Upon the exercise of the stock appreciation rights and the attendant surrender of an exercisable portion of the stock appreciation rights, Participant will be entitled to receive, no later than thirty (30) days following the date of exercise, a lump sum payment in an amount determined by multiplying: (i) the difference (but not less than zero) obtained by subtracting the Exercise Price of the stock appreciation rights being exercised from the Fair Market Value of the Common Stock as of the date of exercise, by (ii) the number of stock

appreciation rights being exercised, with such amount payable in either cash or shares of Common Stock, at the Company's election, less applicable withholdings. Participant shall have no further rights with respect to any stock appreciation rights that are so paid. Fractional stock appreciation rights may not be exercised.

Shares of Common Stock will be issued as soon as practical after exercise. Notwithstanding the above, the Company shall not be obligated to deliver any shares of Common Stock during any period when the Company determines that the exercisability of the Award or the delivery of shares hereunder would violate any federal, state or other applicable laws.

3. TERMINATION OF EMPLOYMENT

The Participant's Award shall be treated in the same manner as Options are treated pursuant to Section 8(b) of the Plan in the event of Termination of Employment.

4. EXPIRATION OF AWARD

Except as provided in the Grant Notice and Section 8(b) of the Plan, the Award shall expire and cease to be exercisable as of the Expiration Date set forth in the Grant Notice.

5. CONDITIONS AND RESTRICTIONS ON AWARD SHARES

The Company may impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any resales by the Participant or other subsequent transfers by the Participant of any shares of Common Stock issued as a result of the exercise of the Award, including without limitation (a) restrictions under an insider trading policy or pursuant to applicable law, (b) restrictions designed to delay and/or coordinate the timing and manner of sales by Participant and holders of other Company equity compensation arrangements, (c) restrictions in connection with any underwritten public offering by the Company of the Company's securities pursuant to an effective registration statement filed under the Securities Act of 1933, (d) restrictions as to the use of a specified brokerage firm for such resales or other transfers, and (e) provisions requiring shares of Common Stock to be sold on the open market or to the Company in order to satisfy tax withholding or other obligations.

At no time will the Participant will have the right to require the Company to purchase from the Participant any shares of Common Stock acquired by the Participant under the Award.

6. INCOME TAXES

The Participant will be subject to federal and state income and other tax withholding requirements on the date (generally, the date of exercise) determined by applicable law, based on the excess of the fair market value of the shares of Common Stock underlying the portion of the Award that is exercised over the Exercise Price. The Participant will be solely responsible for the payment of all U.S. federal income and other taxes, including any state, local or non-U.S. income or employment tax obligation that may be related to the exercise of the Award, including any such taxes that are required to be withheld and paid over to the applicable tax authorities (the "**Tax Withholding Obligation**"). The Participant will be responsible for the satisfaction of such Tax Withholding Obligation in a manner acceptable to the Company in its sole discretion.

The Company may refuse to issue any shares of Common Stock to the Participant until the Participant satisfies the Tax Withholding Obligation. The Participant acknowledges that the Company has the right to retain without notice from shares issuable upon exercise of the Award (or any portion thereof) or from salary or other amounts payable to the Participant, shares or cash having a value sufficient to satisfy the Tax Withholding Obligation.

The Participant is ultimately liable and responsible for all taxes owed by the Participant in connection with the Award, regardless of any action the Company takes or any transaction pursuant to this Section 6 with respect to any tax withholding obligations that arise in connection with the Award. The Company makes no representation or undertaking regarding the treatment of any tax withholding in connection with the grant, issuance, vesting or exercise of the Award or the subsequent sale of any of the shares of Common Stock acquired upon exercise of the Award. The Company does not commit and is under no obligation to structure the Award to reduce or eliminate the Participant's tax liability.

7. NON-TRANSFERABILITY OF AWARD

Unless otherwise provided by the Administrator, the Participant may not assign or transfer the Award to anyone other than by will or the laws of descent and distribution and the Award shall be exercisable only by the Participant during his or her lifetime. The Company may cancel the Participant's Award if the Participant attempts to assign or transfer it in a manner inconsistent with this Section 7.

8. LIMITATION OF INTEREST IN SHARES SUBJECT TO AWARD

Neither the Participant (individually or as a member of a group) nor any beneficiary or other person claiming under or through the Participant shall have any right, title, interest, or privilege in or to any shares of Common Stock allocated or reserved for the purpose of the Plan or subject to the Grant Notice or these Standard Terms and Conditions except as to such shares of Common Stock, if any, as shall have been issued to such person upon exercise of the Award or any part of it. Nothing in the Plan, in the Grant Notice, these Standard Terms and Conditions or any other instrument executed pursuant to the Plan shall confer upon the Participant any right to continue in the Company's employ or service nor limit in any way the Company's right to terminate the Participant's employment at any time for any reason.

9. GENERAL

In the event that any provision of these Standard Terms and Conditions is declared to be illegal, invalid or otherwise unenforceable by a court of competent jurisdiction, such provision shall be reformed, if possible, to the extent necessary to render it legal, valid and enforceable, or otherwise deleted, and the remainder of these Standard Terms and Conditions shall not be affected except to the extent necessary to reform or delete such illegal, invalid or unenforceable provision.

The headings preceding the text of the sections hereof are inserted solely for convenience of reference, and shall not constitute a part of these Standard Terms and Conditions, nor shall they affect its meaning, construction or effect.

These Standard Terms and Conditions shall inure to the benefit of and be binding upon the parties hereto and their respective permitted heirs, beneficiaries, successors and assigns.

These Standard Terms and Conditions shall be construed in accordance with and governed by the laws of the State of Delaware, without regard to principles of conflicts of law.

In the event of any conflict between the Grant Notice, these Standard Terms and Conditions and the Plan, the Grant Notice and these Standard Terms and Conditions shall control. In the event of any conflict between the Grant Notice and these Standard Terms and Conditions, the Grant Notice shall control.

All questions arising under the Plan or under these Standard Terms and Conditions shall be decided by the Committee in its total and absolute discretion.

10. ELECTRONIC DELIVERY

By executing the Grant Notice, the Participant hereby consents to the delivery of information (including, without limitation, information required to be delivered to the Participant pursuant to applicable securities laws) regarding the Company and the Subsidiaries, the Plan, and the Award via Company web site or other electronic delivery.

**MONTROSE ENVIRONMENTAL GROUP, INC.
GRANT NOTICE FOR
AMENDED AND RESTATED 2017 STOCK INCENTIVE PLAN
RESTRICTED STOCK UNITS**

FOR GOOD AND VALUABLE CONSIDERATION, MONTROSE ENVIRONMENTAL GROUP, INC. (the “**Company**”), hereby grants to Participant named below the number of stock units specified below (the “**Award**”). Each stock unit represents the right to receive one share of the Company’s common stock, par value \$0.000004 (the “**Common Stock**”), upon the terms and subject to the conditions set forth in this Grant Notice, the Montrose Environmental Group, Inc. Amended and Restated 2017 Stock Incentive Plan (the “**Plan**”) and the Standard Terms and Conditions (the “**Standard Terms and Conditions**”) adopted under such Plan and provided to Participant, each as amended from time to time. This Award is granted pursuant to the Plan and is subject to and qualified in its entirety by the Standard Terms and Conditions.

Name of Participant:

Grant Number:

Grant Date:

Number of restricted stock units:

Vesting Schedule:

[50% of the Award shall vest on the fourth (4th) anniversary of the Grant Date and 50% of the Award shall vest on the fifth (5th) anniversary of the Grant Date, subject to Participant’s continued service through each such date.]¹

[With respect to [] restricted stock units (the “Service-Vested RSUs”), 50% shall vest on the fourth (4th) anniversary of the Grant Date and 50% shall vest on the fifth (5th) anniversary of the Grant Date, subject to Participant’s continued service through each such date.

With respect to [] restricted stock units (the “Performance-Vested RSUs”), 50% shall vest on the fourth (4th) anniversary of the Grant Date and 50% of the Award shall vest on the fifth (5th) anniversary of the Grant Date, subject to Participant’s continued service through each such date and subject to achievement of the Performance Criteria. If the Performance Criteria shall not have been met prior to the fourth (4th) anniversary, none of the Performance-Vested RSUs shall vest at that time, and if the

¹ Language for RSUs with only time-based vesting

Performance Criteria is subsequently met prior to the fifth (5th) anniversary of the Grant Date, all of the Performance-Vested RSUs shall vest at that time, subject to Participant's continued service through such date. If the Performance Criteria is not met by the fifth (5th) anniversary of the Grant Date, none of the Performance-Vested RSUs shall vest and instead shall be forfeited at that time.]²

Performance Criteria

The Performance Criteria shall be met if the Company achieves \$90M in adjusted EBITDA (as reported) for any trailing twelve-month period from and after December 31, 2022, which shall be measured quarterly for purposes of determining if the performance criteria has been met.

Change in Control Treatment:

The Award shall vest in full upon a Change in Control (as defined in the Plan), subject Participant's continued service through such date[and, with respect to the Performance-Vested RSUs, to the extent the Performance Criteria has been satisfied as of the date of such Change of Control]³.

By accepting this Grant Notice, Participant acknowledges that he or she has received and read, and agrees that this Award shall be subject to, the terms of this Grant Notice, the Plan and the Standard Terms and Conditions.

MONTROSE ENVIRONMENTAL GROUP, INC.

By _____
Title: _____

Participant Signature

Address (please print):

² Alternative language for CEO grant with 50% subject to performance vesting

³ Additional language for CEO grant with performance vesting criteria

**MONTROSE ENVIRONMENTAL GROUP, INC.
STANDARD TERMS AND CONDITIONS FOR
RESTRICTED STOCK UNITS**

These Standard Terms and Conditions apply to the Award of restricted stock units granted pursuant to the Montrose Environmental Group, Inc. Amended and Restated 2017 Stock Incentive Plan (the “**Plan**”), which are evidenced by a Grant Notice. In addition to these Terms and Conditions, the restricted stock units shall be subject to the terms of the Plan, which are incorporated into these Standard Terms and Conditions by this reference. Capitalized terms not otherwise defined herein shall have the meaning set forth in the Plan.

1. TERMS OF RESTRICTED STOCK UNITS

Montrose Environmental Group, Inc., a Delaware corporation (the “**Company**”), has granted to the Participant named in the Grant Notice provided to said Participant herewith (the “**Grant Notice**”) an award of a number of restricted stock units (the “**Award**” or the “**Restricted Stock Units**”) with each Restricted Stock Unit representing the right to receive one share of the Company’s common stock, par value \$0.000004 (the “**Common Stock**”) specified in the Grant Notice. The Award is subject to the conditions set forth in the Grant Notice, these Standard Terms and Conditions, and the Plan, each as amended from time to time. For purposes of these Standard Terms and Conditions and the Grant Notice, any reference to the Company shall include a reference to any Subsidiary.

2. VESTING OF RESTRICTED STOCK UNITS

The Award shall not be vested as of the Grant Date set forth in the Grant Notice and shall be forfeitable unless and until otherwise vested pursuant to the terms of the Grant Notice and these Standard Terms and Conditions. After the Grant Date, subject to termination or acceleration as provided in these Standard Terms and Conditions and the Plan, the Award shall become vested as described in the Grant Notice with respect to that number of Restricted Stock Units as set forth in the Grant Notice. Restricted Stock Units that have vested and are no longer subject to forfeiture are referred to herein as “**Vested RSUs.**” Restricted Stock Units awarded hereunder that are not vested and remain subject to forfeiture are referred to herein as “**Unvested RSUs.**” Unless otherwise set forth in the Grant Notice, upon the Participant’s Termination of Employment, any then Unvested RSUs held by the Participant shall be forfeited and canceled as of the date of such Termination of Employment.

3. SETTLEMENT OF RESTRICTED STOCK UNITS

The Company will transfer to Participant the shares of Common Stock subject to the Award (or portion thereof) as soon as reasonably possible after any date upon which the Award (or a portion thereof) vests (but in no case later than March 15th of the calendar year after the calendar year in which the vesting event occurs).

4. RIGHTS AS STOCKHOLDER

Participant shall not be, nor have any of the rights or privileges of, a stockholder of the Company in respect of any RSUs unless and until shares of Common Stock settled for such RSUs shall have been issued by the Company to Participant (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). Notwithstanding the foregoing, in the event that the Company declares a cash dividend the record date for which occurs during the period from and after the Grant Date and until the earlier of (a) the time when the Restricted Stock Units are settled in accordance with the terms hereof or (b) the time when the Participant's right to vest in the Restricted Stock Units is forfeited, on the date that the Company pays such cash dividend to holders of Common Stock generally, the Participant shall be credited with a cash amount equal to the dollar amount of the cash dividend paid per share of Common Stock on such date multiplied by the total number of Restricted Stock Units then outstanding under this Award, which amount shall be paid in a single lump sum, without interest, in the date the corresponding Restricted Stock Units become Vested RSUs in accordance with the terms of the Grant Notice and these Standard Terms and Conditions (or, if later, the date on the date that the Company pays such cash dividend to holders of Common Stock).

5. RESTRICTIONS ON REALES OF SHARES

The Company may impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any resales by the Participant or other subsequent transfers by the Participant of any shares of Common Stock issued pursuant to Vested RSUs, including without limitation (i) restrictions under an insider trading policy, (ii) restrictions designed to delay and/or coordinate the timing and manner of sales by Participant and other holders and (iii) restrictions as to the use of a specified brokerage firm for such resales or other transfers.

6. INCOME TAXES

To the extent required by applicable federal, state, local or foreign law, the Participant shall make arrangements satisfactory to the Company for the satisfaction of any withholding tax obligations that arise by reason of the grant or vesting of the Restricted Stock Units. The Company shall not be required to issue shares or to recognize the disposition of such shares until such obligations are satisfied. Unless the Participant elects in writing, in advance, to pay the withholding tax obligations to the Company by cash or check, withholding shall be effected by the Company causing to be sold on behalf of the Participant a number of shares of Common Stock issuable in connection with the Award in an amount sufficient to cover such withholding obligations. The Participant acknowledges that the Company shall have the right to deduct any taxes required to be withheld by law in connection with the Award from any amounts payable by it to the Participant (including, without limitation, future cash wages).

7. NON-TRANSFERABILITY OF UNVESTED AWARD

The Participant understands, acknowledges and agrees that, except as otherwise provided in the Plan or as permitted by the Committee, the Award may not be sold, assigned, transferred, pledged or otherwise directly or indirectly encumbered or disposed of.

8. OTHER AGREEMENTS SUPERSEDED

The Grant Notice, these Standard Terms and Conditions and the Plan constitute the entire understanding between the Participant and the Company regarding the Restricted Stock Units. Any prior agreements, commitments or negotiations concerning the Restricted Stock Units are superseded.

9. LIMITATION OF INTEREST IN SHARES SUBJECT TO RESTRICTED STOCK UNITS

Neither the Participant (individually or as a member of a group) nor any beneficiary or other person claiming under or through the Participant shall have any right, title, interest, or privilege in or to any shares of Common Stock allocated or reserved for the purpose of the Plan or subject to the Grant Notice or these Standard Terms and Conditions except as to such shares of Common Stock, if any, as shall have been issued to such person in connection with the Award. Nothing in the Plan, in the Grant Notice, these Standard Terms and Conditions or any other instrument executed pursuant to the Plan shall confer upon the Participant any right to continue in the Company's employ or service nor limit in any way the Company's right to terminate the Participant's employment or service relationship at any time for any reason.

10. GENERAL

In the event that any provision of these Standard Terms and Conditions is declared to be illegal, invalid or otherwise unenforceable by a court of competent jurisdiction, such provision shall be reformed, if possible, to the extent necessary to render it legal, valid and enforceable, or otherwise deleted, and the remainder of these Standard Terms and Conditions shall not be affected except to the extent necessary to reform or delete such illegal, invalid or unenforceable provision.

The headings preceding the text of the sections hereof are inserted solely for convenience of reference, and shall not constitute a part of these Standard Terms and Conditions, nor shall they affect its meaning, construction or effect.

These Standard Terms and Conditions shall inure to the benefit of and be binding upon the parties hereto and their respective permitted heirs, beneficiaries, successors and assigns.

These Standard Terms and Conditions shall be construed in accordance with and governed by the laws of the State of Delaware, without regard to principles of conflicts of law.

In the event of any conflict between the Grant Notice, these Standard Terms and Conditions and the Plan, the Grant Notice and these Standard Terms and Conditions shall control. In the event of any conflict between the Grant Notice and these Standard Terms and Conditions, the Grant Notice shall control.

All questions arising under the Plan or under these Standard Terms and Conditions shall be decided by the Committee in its total and absolute discretion.

11. ELECTRONIC DELIVERY

By executing the Grant Notice, the Participant hereby consents to the delivery of information (including, without limitation, information required to be delivered to the Participant pursuant to applicable securities laws) regarding the Company and the Subsidiaries, the Plan, and the Restricted Stock Units via Company web site or other electronic delivery.