

From: [Shaffer, Kristin](#)
To: [REDACTED]
Cc: [Walsh, Kathryn E.](#)
Subject: RE: Restricted stock unit
Date: Monday, July 11, 2016 12:03:00 PM

[REDACTED]

We agree that beneficial ownership does not pass until the options are exercised or, for the RSUs, until the Director resigns.

Best regards,
Kristin

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From: [REDACTED]
Sent: Monday, July 11, 2016 10:43 AM
To: Walsh, Kathryn E.
Subject: Restricted stock unit

Kate:

I am writing to confirm my understanding that, under the facts I describe below, the granting of equity awards to members of the Board of Directors are not subject to the reporting requirements of the HSR Act.

As compensation for their service as Directors, members of the Board of Directors of a public company will receive annual equity awards consisting of (i) stock options; and (ii) Restricted Stock Units ("RSUs").

Stock Options

Under Section 802.31 of the HSR Rules, the acquisition of stock options is exempt. Therefore, the option component of the equity awards will not trigger any HSR filings. However, the conversion of those stock options into common shares at a later date could be subject to the HSR Act.

Restricted Stock Units

The RSUs are awarded annually, and "vest" at the earlier of one year from the grant, or at the next shareholder meeting after being awarded. However, the "vesting" of those shares means only that the number of shares that the Director will be entitled to receive in the future is determined (e.g., upon vesting the Director will be guaranteed to receive 1,500 shares for his/her service as a Director in 2016 at some date in the future). Under the terms of the RSUs, the Director will not actually receive any of the vested shares until after he/she resigns as a Director, and will not be able to vote or transfer the vested shares in the meantime. Therefore, the Directors will not have beneficial ownership of any voting securities as a result of the grant of the RSUs before they take possession of the shares after retirement from the Board.

Please let me know if you have any questions or would like to discuss this further.

Kind regards.

