

Director Compensation

2017 Non-employee Director Cash Compensation

It is our policy that our employee-directors do not receive cash compensation for their service as members of our Board of Directors.

The Compensation Committee, with assistance from its independent compensation consultant, FW Cook, oversees director compensation and reviews the appropriateness of our non-employee directors' compensation on a regular basis. Most recently, in October 2017, FW Cook prepared a comprehensive benchmarking of our non-employee director cash compensation program against the compensation programs offered by our peer companies and reviewed this benchmarking in detail with the Compensation Committee.

Under our non-employee director cash compensation program, non-employee members of our Board of Directors receive retainer fees, which are paid in cash in semi-annual installments. Each non-employee director was entitled to receive the retainers detailed in the tables below (provided that committee chairpersons were only entitled to receive a retainer as committee chair and were not entitled to the non-chair membership retainer for the committee(s) he or she chairs). In addition, non-employee directors were reimbursed for their reasonable out-of-pocket expenses incurred in attending meetings of our Board of Directors or any of its committees that are conducted in person. Upon review and discussion of the benchmarking of our non-employee director cash compensation program with assistance from its independent compensation consultant, in February 2017, our Compensation Committee approved an increase in the annual retainer to be paid to members of the Nominating and Corporate Governance Committee (from \$7,500 to \$10,000). In October 2017, after review and discussion of updated benchmarking of our non-employee director cash compensation program by the Compensation Committee's independent compensation consultant, our Compensation Committee approved an increase in the annual retainer to be paid to the chairperson of each of the Compensation Committee (from \$30,000 to \$40,000), the Audit Committee (from \$35,000 to \$40,000) and the Nominating and Corporate Governance Committee (from \$15,000 to \$20,000).

The following table summarizes our non-employee director cash compensation program:

Board Retainers

Compensation Element	Annual Cash Compensation
Annual Board Member Retainer	\$60,000
Annual Retainer for Lead Independent Director	\$35,000 (in addition to Annual Board Member Retainer)

Committee Retainers

Committee	Annual Cash Compensation	
	Chair	Member
Audit Committee	Annual: \$40,000(1)	Annual: \$17,500
Compensation Committee	Annual: \$40,000(2)	Annual: \$15,000
Finance Committee	None	None
Nominating and Corporate Governance Committee	Annual: \$20,000(3) Monthly: \$10,000(5)	Annual: \$10,000(4) Monthly: \$10,000(5)

- (1) Annual retainer for the chairperson of the Audit Committee was increased to \$40,000, effective October 26, 2017.
- (2) Annual retainer for the chairperson of the Compensation Committee was increased to \$40,000, effective October 26, 2017.
- (3) Annual retainer for the chairperson of the Nominating and Corporate Governance Committee was increased to \$20,000, effective October 26, 2017.
- (4) Annual retainer for members of the Nominating and Corporate Governance Committee was increased to \$10,000, effective February 8, 2017.
- (5) Only applicable during periods when the Nominating and Corporate Governance Committee is engaging in a director search to recognize the additional time commitment during such periods.

In connection with *ad hoc* committees that may be formed from time to time, committee fees, if any, are determined by the Board of Directors upon the recommendation of the Compensation Committee with advice from its independent compensation consultant.

Non- employee Director Equity-based Compensation

Equity Awards to our Non-employee Directors

The Compensation Committee, with assistance from its independent compensation consultant, reviews the appropriateness of equity awards granted to our non-employee directors under the Amended and Restated 2014 Equity Incentive Plan, which we refer to as the Amended and Restated 2014 Plan, on a regular basis. In October 2017, FW Cook prepared a comprehensive benchmarking of our non-employee director equity awards against the equity awards offered by our peer companies and reviewed this benchmarking in detail with the Compensation Committee. No changes to our non-employee director equity-based compensation program for 2017 were made as a result of this review.

For 2017, each non-employee director was eligible to receive an annual grant on the first business day of the month following our annual shareholders meeting consisting of restricted stock units valued at \$250,000 that vest in equal monthly installments over a one-year period, which we refer to as an annual vesting period. Each newly appointed non-employee director was entitled to receive restricted stock units valued at \$500,000 upon his or her initial election to our Board of Directors, which vest in accordance with our standard three-year vesting schedule. The number of restricted stock units issued is calculated based on the closing price per share of our common stock on the date of grant. In March 2018, upon further benchmarking by the Compensation Committee's independent compensation consultant, and the Compensation Committee's recommendation, the Board of Directors approved that, beginning in March 2018, rather than an initial restricted stock unit award valued at \$500,000 that vests annually, newly appointed directors will be entitled to a pro-rated annual grant upon election to the Board of Directors. Such grant will be an award valued at \$250,000 and pro-rated based on the director's date of appointment and the current annual vesting period. Such pro-rated grant will vest monthly over the remaining portion of the current annual vesting period.