

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

April 9, 2015
Date of Report (Date of earliest event reported)

Amtech Systems, Inc.
(Exact name of registrant as specified in its charter)

Arizona	000-11412	86-0411215
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)
131 S. Clark Drive, Tempe, AZ		85281
(Address of Principal Executive Offices)		(Zip Code)
Registrant's telephone number, including area code		480 967-5146
	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 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))
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Section 5 - Corporate Governance and Management

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

(e) Compensatory Arrangements of Certain Officers.

Fourth Amendment to Employment Agreement with the Company's Executive Chairman

On April 9, 2015, the Amtech Systems, Inc. (the "Company") board of directors (the "Board") approved a Fourth Amendment to Employment Agreement between the Company and Jong S. Whang, the Company's Executive Chairman. The amendment (i) clarified language with respect to grants of stock options and restricted stock made to Mr. Whang, (ii) extended the term of the agreement for period of three years, and (iii) increased the director and officer liability insurance maintained by the Company for the benefit of Mr. Whang from \$5 million to \$10 million. The foregoing description of the amendment is qualified in its entirety by reference to the full text of the amendment, a copy of which is attached hereto as Exhibit 10.1 and incorporated herein by reference.

Fourth Amendment to Employment Agreement with the Company's President and Chief Executive Officer

On April 9, 2015, the Company's Board approved a Fourth Amendment to Employment Agreement between the Company and Fokko Pentinga, the Company's President and Chief Executive Officer. The amendment (i) increased Mr. Pentinga's base salary from \$370,000 to \$407,000, (ii) modified the annual car allowance benefit in order to apply such benefit to either a leased car or general automobile allowance, and (iii) increased the director and officer liability insurance maintained by the Company for the benefit of Mr. Pentinga from \$1 million to \$10 million. The foregoing description of the amendment is qualified in its entirety by reference to the full text of the amendment, a copy of which is attached hereto as Exhibit 10.2 and incorporated herein by reference.

Employment Agreement with the Company's Executive Vice President and Chief Financial Officer

On April 9, 2015, the Company's Board approved an Employment Agreement between the Company and Bradley C. Anderson, the Company's Executive Vice President and Chief Financial Officer. The initial term of the agreement is three years, and will continue after the initial term for successive one year terms unless the Company or Mr. Anderson provides written notice of termination.

Pursuant to the agreement, Mr. Anderson will be paid an initial base salary of \$291,500 per year, which shall be reviewed annually by the Board's Compensation Committee and is subject to annual increases at the discretion of the Compensation Committee. In addition, Mr. Anderson is eligible for annual cash bonuses and will receive an annual grant of restricted stock and stock options, with such amounts to be determined annually by the Compensation Committee. The Company will also provide Mr. Anderson with such benefits as are provided to the other Company executives.

Mr. Anderson's employment with the Company is "at will", and either the Company or Mr. Anderson may terminate the agreement and employment at any time, with or without Cause or Good Reason (as defined in the agreement). Notwithstanding, if the Company terminates Mr. Anderson's employment without Cause or Mr. Anderson terminates his employment for Good Reason, he shall be entitled to receive his salary, cash bonus, and vacation accrued through the termination date, plus the following: (i) a cash lump sum in an

amount equal to the greater of the Mr. Anderson's base salary for the remainder of the initial term or two years of Mr. Anderson's base salary in effect on the Termination Date; (ii) a cash lump sum equal to the maximum amount of the cash bonus which Mr. Anderson could earn for the fiscal year in which the termination occurs; and (iii) full vesting of all outstanding stock options and restricted stock held by Mr. Anderson. If Mr. Anderson terminates his employment other than for good reason, death or disability, or is terminated for Good Cause, he shall be entitled to receive his base salary and accrued vacation through the termination date only. If his employment is terminated for death or disability, he shall also be entitled to receive his pro-rated cash bonus through the termination date and full vesting of all outstanding stock options and restricted stock.

The foregoing description of the agreement is qualified in its entirety by reference to the full text of the agreement, a copy of which is attached hereto as Exhibit 10.3 and incorporated herein by reference.

2007 Employee Stock Incentive Plan Amendments

The Board previously approved, subject to shareholder approval, an amendment to the Company's 2007 Employee Stock Incentive Plan (the "Employee Plan"), that would authorize an additional 700,000 shares of common stock for issuance under the plan, increasing the authorized number of shares from 2,300,000 to 3,000,000. According to the results from the annual meeting held April 9, 2015 (the "Annual Meeting"), the Company's shareholders approved the amendment to the Employee Plan. The foregoing description of the Employee Plan is qualified in its entirety by reference to the full text of the Employee Plan, a copy of which is attached hereto as Exhibit 10.4 and incorporated herein by reference.

Item 5.07 Submission of Matters to a Vote of Security Holders.

The shareholders considered four proposals at the Annual Meeting, each of which are described in detail in the Company's definitive proxy statement dated March 11, 2015. The total number of shares represented in person or by proxy at the Annual Meeting was 9,728,789 or 74.5 percent of the 13,058,818 shares eligible to vote. The results of the votes are as follows:

Proposal 1 - Election of directors

The individuals listed below received the highest number of affirmative votes of the outstanding shares of the Company's common stock present or represented by proxy and voting at the Annual Meeting and were elected at the Annual Meeting to serve a one-year term on the Board.

	<u>For</u>		<u>Votes Withheld</u>	<u>Broker Non-Votes</u>
Jong S. Whang	5,922,606		146,518	3,659,665
Fokko Pentinga	5,931,732		137,392	3,659,665
Paul J. van der Wansem	5,890,624		178,500	3,659,665
Michael Garnreiter	5,687,802		381,322	3,659,665
Egbert J. G. Goudena	5,703,307	5,606,244	365,817	3,659,665
Robert F. King	5,705,466		363,658	3,659,665
Sukesh Mohan	5,980,059		89,065	3,659,665

Proposal 2 - Ratification of the appointment of Mayer Hoffman McCann P.C as the Company's independent registered public accounting firm for fiscal year 2015

The shareholders ratified the appointment of Mayer Hoffman McCann P.C. as the Company's independent registered public accounting firm for fiscal year 2015.

<u>For</u>	<u>Against</u>	<u>Abstain</u>	<u>Broker Non-Votes</u>
9,626,951	97,372	4,466	0

Proposal 3 - To approve an amendment to the 2007 employee stock incentive plan of Amtech Systems, Inc.

The management proposal to amend the Employee Plan, as described in the proxy materials.

<u>For</u>	<u>Against</u>	<u>Abstain</u>	<u>Broker Non-Votes</u>
4,209,257	1,841,375	18,492	3,659,665

Proposal 4 - Advisory vote to approve named executive officer compensation

The shareholders approved, on an advisory basis, the compensation of the named executive officers.

<u>For</u>	<u>Against</u>	<u>Abstain</u>	<u>Broker Non-Votes</u>
5,723,721	166,631	178,772	3,659,665

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

The following exhibits are furnished herewith:

Exhibit Number	Description
10.1	Fourth Amendment to Employment Agreement, dated April 9, 2015, by and between the Company and Jong S. Whang
10.2	Fourth Amendment to Employment Agreement, dated April 9, 2015, by and between the Company and Fokko Pentinga
10.3	Employment Agreement, dated April 9, 2015, by and between Bradley C. Anderson and the Company
10.4	Amtech Systems, Inc. 2007 Employee Stock Incentive Plan, as amended through April 9, 2015

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.

AMTECH SYSTEMS, INC.

Date: April 10, 2015

By: /s/ Bradley C. Anderson

Name: Bradley C. Anderson

Title: Executive Vice President & Chief Financial Officer

EXHIBIT INDEX

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10.3	Employment Agreement, dated April 9, 2015, by and between Bradley C. Anderson and the Company
10.4	Amtech Systems, Inc. 2007 Employee Stock Incentive Plan, as amended through April 10, 2015

FOURTH AMENDMENT TO EMPLOYMENT AGREEMENT

WHEREAS, Amtech Systems, Inc. (the "Company") and Jong S. Whang (the "Executive") entered into a Second Amended and Restated Employment Agreement dated February 9, 2012 (with all subsequent amendments thereto, the "Agreement"); and

WHEREAS, the Company and the Executive desire to further modify the Agreement and to enter in this Fourth Amendment to Employment Agreement (this "Fourth Amendment") in order to (i) clarify certain language in Section 4 of the Agreement, (ii) extend the Executive's Initial Term for an additional three years, and (iii) increase the amount of D&O liability insurance maintained by the Company for the benefit of the Executive to \$10,000,000.

NOW, THEREFORE, the parties agree to the following Fourth Amendment, to be effective as of the date set forth below, with all unmodified portions of the Agreement to remain in full force and effect:

1. Section 4(b) is hereby amended to delete the following language from the second sentence: "..., but shall be no less favorable to the Executive than the amounts and terms of the grant approved by the Compensation Committee on November 20, 2009."

2. The first sentence of Section 7 of the Agreement is hereby amended to read as follows: "The "Employment Period" shall commence on the date of this Agreement (the "Effective Date") and shall continue for an initial term of six (6) years (the "Initial Term")."

3. In the first sentence of Section 14, the reference to "\$5,000,000" shall be replaced with "\$10,000,000".

IN WITNESS WHEREOF, the parties hereto have executed this Fourth Amendment as of April 9, 2015.

AMTECH SYSTEMS, INC.

By: /s/ Bradley C. Anderson

Name: Bradley C. Anderson

Title: Executive Vice President and
Chief Financial Officer

By: /s/ Jong S. Whang

Name: Jong S. Whang

Title: Executive

FOURTH AMENDMENT TO EMPLOYMENT AGREEMENT

WHEREAS, Amtech Systems, Inc. (the "Company") and Fokko Pentinga (the "Executive") entered into an Employment Agreement dated June 29, 2012 (with all subsequent amendments thereto, the "Agreement"); and

WHEREAS, the Company and the Executive desire to enter into this Fourth Amendment to Employment Agreement (this "Fourth Amendment") in order to (i) increase the Executive's base salary to US\$407,000, or €343,055, per annum, (ii) increase the amount of D&O liability insurance maintained by the Company for the benefit of the Executive to \$10,000,000, and (iii) modify the Executive's annual car allowance benefit to provide that the Company shall offer the Executive either a leased automobile or an automobile allowance at a cost to the Company of not more than €29,500 per annum.

NOW, THEREFORE, the parties agree to the following amendment to the Agreement, to be effective as of the date set forth below, with all unmodified portions of the Agreement to remain in full force and effect:

1. The first sentence in Section 2 of the Agreement is hereby amended to read as follows: "For services rendered to the Company during the term of this Agreement, including services rendered as a Director of the Company or any of its affiliates, the Company shall compensate the Executive with an annual base salary of US\$407,000, or €343,055, per annum, based on a six month average exchange rate fixed one day before the effective date of this Agreement."
2. The antepenultimate sentence in Section 5 of the Agreement is hereby amended to read as follows: "The Company shall also provide the Executive with a leased automobile or an automobile allowance at a cost of not more than €29,500 per annum."
3. In the first sentence of Section 15, the reference to "\$1,000,000" shall be replaced with "\$10,000,000".

IN WITNESS WHEREOF, the parties hereto have executed this Fourth Amendment as of April 9, 2015.

AMTECH SYSTEMS, INC.

By: /s/ Bradley C. Anderson
Name: Bradley C. Anderson
Title: Executive Vice President and
Chief Financial Officer

By: /s/ Fokko Pentinga
Name: Fokko Pentinga
Title: Executive

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT, dated this 9th day of April, 2015 (the "Agreement"), is by and between Amtech Systems, Inc., an Arizona corporation (the "Company") with offices at 131 South Clark Drive, Tempe, Arizona, and Bradley C. Anderson (the "Executive").

WITNESSETH:

WHEREAS, the Company and the Executive wish to enter into an employment and compensation arrangement on the terms and conditions set forth herein; and

WHEREAS, the Company and the Executive intend that this Agreement supersede and replace in all respects whatsoever, that certain Change of Control Agreement by and between the Company and the Executive, dated as of March, 10, 2008, as amended on June 28, 2013.

NOW, THEREFORE, the parties hereby agree as follows:

1. Employment. Subject to the terms and conditions of this Agreement, the Company agrees to employ the Executive as its Executive Vice President, Chief Financial Officer, Treasurer, and Secretary ("EVP-CFO") during the Employment Period (as defined in Section 7) and the Executive agrees to perform such acts and duties and furnish such services to the Company and its affiliates consistent with such position as the Company's Board of Directors shall from time to time direct. The Executive shall have general and active charge of the financial business and affairs of the Company and, in such capacity, shall have responsibility for the day-to-day financial operations of the Company, subject to the authority and control of the Executive Chairman and Chief Executive Officer. The Executive hereby accepts such employment and agrees to devote his full time and best efforts to the duties provided herein, provided, that the Executive may engage in other business activities which (i) involve no conflict of interest with the interests of the Company (subject to approval by the Board of Directors, which approval shall not be unreasonably withheld), and (ii) do not materially interfere with the performance by the Executive of his duties under this Agreement.

2. Compensation. For services rendered to the Company during the term of this Agreement, the Company shall compensate the Executive with an initial base salary, payable in monthly installments, of \$291,500 per annum. Such base salary shall be reviewed on an annual basis by the Compensation Committee of the Company's Board of Directors (the "Compensation Committee") and shall be subject to being increased but not decreased in the discretion of the Compensation Committee.

3. Incentive Compensation. The Executive shall also be entitled to annual cash bonuses for each fiscal year during the Employment Period ("Incentive Compensation"). The Executive's Incentive Compensation for each such fiscal year shall be determined in accordance with an annual bonus plan adopted by the Compensation Committee, which shall be no less favorable to the Executive than the bonus plan for fiscal 2010 adopted by the Compensation Committee on December 21, 2009. Any bonus due to Executive will be paid within 75 days after the end of the Company's fiscal year.

4. Stock Options and Restricted Stock.

(a) **Outstanding Options and Restricted Stock.** All currently outstanding options to purchase common stock of the Company and all restricted stock grants held by Executive shall remain in full force and effect in accordance with the provisions of the Company's stock option and restricted stock plans and the applicable Stock Option and Restricted Stock Award Agreements, as each may be amended from time to time.

(b) **New Options and Restricted Stock.** As further compensation, the Executive shall be issued an annual grant of stock options and restricted stock by the Compensation Committee within ninety (90) days after the end of each fiscal year during the Employment Period. The amount of such grant and the terms of vesting shall be as determined by the Compensation Committee. All of the stock options granted to Executive shall be "Incentive Stock Options" within the meaning of the Internal Revenue Code of 1986, as amended (the "Code"), subject to the limitations of the Code. Any stock options which are not allowed to be incentive stock options under the Code shall be non-qualified stock options. The stock options shall be issued at the fair market value of the Company's common stock as of the date of grant.

5. Benefits. During the Employment Period, the Company shall provide or cause to be provided to the Executive such employee benefits as are provided to other executive officers of the Company, including family medical, dental, vision, disability and life insurance, and participation in pension and retirement plans, incentive compensation plans, stock option plans, Company-sponsored welfare benefit plans for disability and life insurance, and other benefit plans. During the Employment Period, the Company may provide or cause to be provided to the Executive such additional benefits as the Company may deem appropriate from time to time. The Company shall also provide the Executive with an annual automobile allowance of not less than \$10,000.

6. Vacation. The Executive shall be entitled to annual vacations in accordance with the Company's vacation policies in effect from time to time for executive officers of the Company.

7. Term; Employment Period. The "Employment Period" shall commence on the date of this Agreement (the "Effective Date") and shall continue for an initial term of three (3) years (the "Initial Term"). Thereafter, the Employment Period shall continue for successive one (1) year terms (each, an "Additional Term") unless either the Company or the Executive provide written notice of termination of the Employment Period not less than one hundred and twenty (120) days prior to the end of the Initial Term or any Additional Term (collectively, the "Term"), or unless earlier terminated pursuant to Section 8. If the Executive remains in the full time employ of the Company beyond the Employment Period without any written agreement between the parties, this Agreement shall be deemed to continue on a month-to-month basis and either party shall have the right to terminate this Agreement at the end of any ensuing calendar month after giving at least thirty (30) days prior written notice to the other party.

8. Termination.

(a) The Executive's employment with the company shall be "at will". Either the Company or the Executive may terminate this Agreement and Executive's employment at any time, with or without Cause or Good Reason (as such terms are defined below), in its or his sole discretion, after giving at least thirty (30) days prior written notice of termination to the other party.

(b) Without limiting the foregoing Section 8(a), (i) the Executive may terminate his employment with the company at any time for Good Reason, or (ii) the Company may terminate his employment at any time for Cause. "Good Reason" shall mean (i) the Company's failure to elect or reelect, or to appoint or reappoint, Executive to the office of EVP-CFO of the Company; (ii) material changes by the Company in the Executive's function, duties or responsibilities (including reporting responsibilities) of a scope less than that associated with the position of EVP-CFO of the Company; (iii) Executive's base salary is reduced by the Company below the highest base salary of the Executive in effect during the Employment Period; (iv) relocation of Executive's principal place of employment to a place that is not within either the city limits of Tempe, Arizona, or within a radius of twenty (20) miles of his primary residence; (v) failure by the Company to obtain the assumption of this Agreement by any successor or assign of the Company; or (vi) material breach of this Agreement by the Company, which breach is not cured within five (5) days after written notice thereof is delivered to the Company. "Cause" shall mean (i) the Executive's willful, repeated or negligent failure to perform his duties hereunder and to comply with any reasonable or proper direction given by or on behalf of the Company's Board of Directors and the continuation of such failure following twenty (20) days written notice to such effect, (ii) the Executive being guilty of serious misconduct on the Company's premises or elsewhere, whether during the performance of his duties or not, which is reasonably likely to cause material damage to the reputation of the Company or render it materially more difficult for the Executive to satisfactorily continue to perform his duties and the continuation or a second instance of such serious misconduct following twenty (20) days written notice to such effect; (iii) the Executive being found guilty in a criminal court of any offense of a nature which is reasonably likely to materially adversely affect the reputation of the Company or to materially prejudice its interests if the Executive were to continue to be employed by the Company; (iv) the Executive's commission of any act of fraud or theft involving the Company or its business, or any intentional tort against the Company; or (v) the Executive's violation of any of the material terms, covenants, representations or warranties contained in this Agreement and failure to correct such violation within twenty (20) days after written notice by the Company. Notwithstanding the foregoing, "Cause" shall only be deemed to exist if it is so determined by a resolution duly adopted by the Board of Directors of the Company, at a duly noticed meeting at which the Executive and his counsel are first given the opportunity to address the Board with respect to such determination.

(c) "Disability" shall mean that the Executive, in the good faith determination of the Board of Directors of the Company, based on the advice of a qualified physician after a proper examination of the Executive, is unable, without reasonable accommodation, to render services of the character contemplated hereby and that such inability (i) may be expected to be permanent, or (ii) may be expected to continue for a period of at least six (6) consecutive months (or for shorter periods totaling more than six (6) months during any period of twelve (12) consecutive months). Termination resulting from Disability may only be effected after at least thirty (30) days written notice by the Company of its intention to terminate the Executive's employment.

(d) "Termination Date" shall mean any of the following, including which termination constitutes a "separation of service" within the meaning of Section 409A of the Code: (i) if this Agreement is terminated on account of death, the date of death; (ii) if this Agreement is terminated for Disability, the date established by the Company pursuant to Section 8(c) hereof; (iii) if this Agreement is terminated by the Company, the date on which a notice of termination is given to the Executive; (iv) if the Agreement is terminated by the Executive, the date the Executive ceases work; or (v) if this Agreement expires by its terms, the last day of the term of this Agreement. Notwithstanding the foregoing, if within thirty (30) days after any notice of termination is given, the party receiving such notice notifies the other party that a dispute exists concerning the termination, the Termination Date shall be the date finally determined to be the Termination Date, either by mutual written agreement of the parties or by binding arbitration in the manner provided in Section 23 hereof; provided that the Termination Date shall be extended by a notice of dispute only if such notice is given in good faith and the party giving such notice pursues the resolution of such dispute with reasonable diligence. Notwithstanding the pendency of any such dispute, the Company will continue to pay the Executive his full compensation in effect when the notice giving rise to the dispute was given and continue the Executive as a participant in all compensation, benefit and insurance plans in which he was participating when the notice giving rise to the dispute was given, until the dispute is finally resolved. Amounts paid under this Section 8(d) shall be in addition to all other amounts due under this Agreement and shall not be offset against or reduce any amounts due under this Agreement; provided, however, that if the arbitrator determines that any notice of dispute by the Executive was not given in good faith or that the Executive did not pursue the resolution of such dispute with reasonable diligence, the Executive shall repay the Company the amount of compensation paid to the Executive pursuant to Section 8(d) from the Termination Date which would have applied had such notice of dispute not been given, plus interest thereon at the applicable federal rate provided for in Section 1274(d) of the Code, or any successor provision thereof, for an obligation with a term equal to the period from the date of payment to the date of repayment pursuant to this Section 8(d).

9. Severance.

(a) If (i) the Company terminates the employment of the Executive against his will and without Cause (including by giving notice of termination of the Agreement pursuant to Section 7), or (ii) the Executive terminates his employment for Good Reason, the Executive shall be entitled to receive salary, Incentive Compensation and vacation accrued through the Termination Date, plus the following:

(i) a cash lump sum in an amount equal to the greater of the Executive's base salary for the remainder of the Initial Term or two years of Executive's base salary in effect on the Termination Date;

(ii) a cash lump sum equal to the maximum amount of the Incentive Compensation which Executive could earn for the fiscal year in which the Termination Date occurs (the "Maximum Incentive Compensation"); and

(iii) full vesting of all outstanding stock options and restricted stock held by Executive.

The Company shall make the termination payment required hereunder within thirty (30) days of the Termination Date; provided, however, if such thirty (30) day period begins in one calendar year and ends in another calendar year, the Executive will not have the right to designate the calendar year of payment.

Notwithstanding the foregoing, the Company shall not be required to pay any severance pay for any period following the Termination Date if the Executive violates the provisions of Section 15, Section 16 or Section 17 of this Agreement in any material respect, and fails to cure such violation within thirty (30) days after written notice from the Company to the Executive detailing such violation.

(b) If (i) the Executive voluntarily terminates his employment other than for Good Reason, (ii) the Executive's employment is terminated due to death or Disability, or (iii) the Executive is terminated by the Company for Cause, then the Executive shall be entitled to receive his base salary and accrued vacation through the Termination Date only. In the event of death or Disability the Executive shall also be entitled to receive his pro-rated Incentive Compensation through the Termination Date and full vesting of all outstanding stock options and restricted stock held by the Executive, subject to the same terms and conditions as provided in Section 9(a).

(c) In addition to the provisions of Section 9(a) and 9(b) hereof, to the extent COBRA shall be applicable to the Company or as provided by law, the Executive shall be entitled to continuation of group health plan benefits in accordance with COBRA if the Executive makes the appropriate conversion and payments.

(d) The Executive acknowledges that, upon termination of his employment, he is entitled to no other compensation, severance or other benefits other than those specifically set forth in this Agreement or any applicable Stock Option Agreement, or pursuant to any Applicable Benefit Plan.

(e) All payments to be made to the Executive that are subject to Section 409A upon a termination of employment may only be made upon a "separation from service" (within the meaning of Section 409A) of the Executive. For purposes of Section 409A, (i) each payment made under this Agreement shall be treated as a separate payment; (ii) the Executive may not, directly or indirectly, designate the calendar year of payment; and (iii) no acceleration of the time and form of payment of any nonqualified deferred compensation to the Executive or any portion thereof, shall be permitted.

(f) Notwithstanding anything contained in this Agreement to the contrary, if at the time of the Executive's "separation from service" (as defined in Section 409A of the Code) the Executive is a "specified employee" (within the meaning of Section 409A and the Company's specified employee indemnification policy) and if any payment, reimbursement and/or in-kind benefit that constitutes nonqualified deferred compensation (within the meaning of Section 409A) is deemed to be triggered by the Executive's separation from service, then, to the extent one or more exceptions to Section 409A are inapplicable including, without limitation, the exception under Treasury Regulation Section 1.409A-1(b)(9)(iii) relating to separation pay due to an involuntary separation from service and its requirement that installments must be paid no later than the last day of the second taxable year following the taxable year in which such an employee incurs the involuntary separation from service), all payments, reimbursements, and in-kind benefits that constitute nonqualified deferred compensation (within the meaning of Section 409A) to the Executive shall not be paid or provided to the Executive during the six-month period following the Executive's separation from service, and (i) such postponed payment and/or reimbursement/in-kind amounts shall be paid to the Executive in a lump sum within thirty (30) days after the date that is six (6) months following the Executive's separation from service; (ii) any amounts payable to the Executive after the expiration of such six (6) month period shall continue to be paid to the Executive in accordance with the terms of this Agreement; and (iii) to the extent that any group hospitalization plan health care plan, dental care plan, life or other insurance or death benefit plan, and any other present or future similar group executive benefit plan or program or any lump sum cash out thereof is nonqualified deferred compensation (within the

meaning of Section 409A), the Executive shall pay for such benefits from his Termination Date until the first day of the seventh month following the month of the Executive's separation from service, at which time the Company shall reimburse the Executive for such payments. If the Executive dies during such six (6) month period and prior to the payment of such postponed amounts of nonqualified deferred compensation, only the amount of nonqualified deferred compensation equal to the number of whole months that the Executive lived shall be paid in a lump sum to the Executive's estate or, if applicable, to the Executive's designated beneficiary within thirty (30) days after the date of the Executive's death.

10. Expenses; Reimbursements and In-Kind Benefits. The Company shall pay or reimburse the Executive for all expenses normally reimbursed by Company, reasonably incurred by him in furtherance of his duties hereunder and authorized and approved by the Company in compliance with such rules relating thereto as the Company may, from time to time, adopt and as may be required in order to permit such payments as proper deductions to the Company under the Code, and the rules and regulations adopted pursuant thereto now or hereafter in effect.

Notwithstanding any other provision of the applicable plans and programs, all reimbursements and in-kind benefits provided under this Agreement shall be made or provided in accordance with the requirements of Section 409A, including, where applicable, the requirement that (i) the amount of expenses eligible for reimbursement and the provision of benefits in kind during a calendar year shall not affect the expenses eligible for reimbursement or the provision of in-kind benefits in any other calendar year; (ii) the reimbursement for an eligible expense will be made on or before the last day of the calendar year following the calendar year in which the expense is incurred; (iii) the right to reimbursement or right to in-kind benefit is not subject to liquidation or exchange for another benefit; and (iv) each reimbursement payment or provision of in-kind benefit shall be one of a series of separate payments (and each shall be construed as a separate identified payment) for purposes of Section 409A of the Code.

11. Facilities and Services. The Company shall furnish the Executive with office space, secretarial and support staff and such other facilities and services as shall be reasonably necessary for the performance of his duties under this Agreement.

12. Mitigation Not Required. In the event this Agreement is terminated, the Executive shall not be required to mitigate amounts payable pursuant hereto by seeking other employment or otherwise. The Executive's acceptance of any such other employment shall not diminish or impair the amounts payable to the Executive pursuant hereto.

13. Place of Performance. The Executive shall perform his duties primarily in Tempe, Arizona or locations within a reasonable proximity thereof, except for reasonable travel as the performance of the Executive's duties may require.

14. Insurance and Indemnity. During the Employment Period, if available at reasonable costs, the Company shall maintain, at its expense, officers and directors fiduciary liability insurance covering the Executive and all other executive officers and directors in an amount at least \$10,000,000. The Company shall also indemnify the Executive, to the fullest extent permitted by law, from any liability asserted against or incurred by the Executive by reason of the fact that the Executive is or was an officer or director of the Company or any affiliate or related party or is or was serving in any capacity at the request of the Company for any other corporation, partnership, joint venture, trust, employment benefit plan or other enterprise. This indemnity shall survive termination of this Agreement.

15. Noncompetition.

(a) The Executive agrees that, except in accordance with his duties under this Agreement on behalf of the Company, he will not during the Term of this Agreement:

(i) Participate in, be employed in any capacity by, serve as director, consultant, agent or representative for, or have any interest, directly or indirectly, in any enterprise which is engaged in the business of distributing, selling or otherwise trading in products or services which are competitive to any products or services distributed, sold or otherwise traded in by the Company or any of its subsidiaries during the Term of the Executive's employment with the Company, or which are competitive to any products or services being actively developed, with the bona fide intent to market same, by the Company or any of its subsidiaries during the Term of the Executive's employment with the Company;

(ii) In addition, the Executive agrees that for a period of two years after the end of the Term of this Agreement (unless the Company breaches this Agreement by failing to pay to the Executive all sums due him under the terms hereof, in which event the following provisions of this Section 15(a) shall be inapplicable), the Executive shall observe the covenants set forth in this Section 15 and shall not own, either directly or indirectly or through or in conjunction with one or more members of his or his spouse's family or through any trust or other contractual arrangement, a greater than five percent (5%) interest in, or otherwise control either directly or indirectly, any partnership, corporation, or other entity which distributes, sells, or otherwise trades in products which are competitive to any products or services being developed, distributed, sold, or otherwise traded in by the Company or any of its subsidiaries, during the Term of this Agreement, or being actively developed by the Company or any of its subsidiaries during the Term of this Agreement with the Company with a bona fide intent to market same. The Executive further agrees, for such two-year period following termination, to refrain from directly or indirectly soliciting the Company's vendors, customers or employees, except that the Executive may solicit the Company's vendors or customers in connection with a business that does not compete with the Company or any of its subsidiaries.

(b) The Executive hereby agrees that damages and any other remedy available at law would be inadequate to redress or remedy any loss or damage suffered by the Company upon any breach of the terms of this Section 15 by the Executive, and the Executive therefore agrees that the Company, in addition to recovering on any claim for damages or obtaining any other remedy available at law, also may enforce the terms of this section 15 by injunction or specific performance, and may obtain any other appropriate remedy available in equity.

16. Assignment of Patents. The Executive shall disclose fully to the Company any and all discoveries and any and all ideas, concepts or inventions relating to the Company's business (as described in the Company's most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission) which he shall conceive or make during his period of employment, or during the period of six months after his employment shall terminate, which are in whole or in part the result of his work with the Company. Such disclosure is to be made promptly after each such discovery or conception, and each such discovery, idea, concept or invention will become and remain the property of the Company, whether or not patent applications are filed thereon. Upon request and at the expense of the Company, the Executive shall make application through the patent attorneys and solicitors of the Company for letters patent of the United States and any and all other countries at the discretion of the Company on such discoveries, ideas and inventions, and to assign all such applications to the Company, or at its order, without additional payment by the Company during his period of employment and for reasonable compensation for time actually spent by the Executive at such work at the request of the Company after the termination of his employment. The Executive shall give the Company, and its attorneys and solicitors, all reasonable assistance in preparing and

prosecuting such applications and, on request of the Company, shall execute all papers and do all things that may be reasonably necessary to protect the right of the Company and vest in it or its assigns the discoveries, ideas or inventions, applications and letters patent herein contemplated. Such cooperation shall also include all actions reasonably necessary to aid the Company in the defense of its rights in the event of litigation.

17. Trade Secrets.

(a) In the course of the Term of this Agreement, it is anticipated that the Executive shall have access to secret or confidential technical and commercial information, records, data, specifications, systems, methods, plans, policies, inventions, material and other knowledge ("Confidential Material") owned by the Company and its subsidiaries. The Executive recognizes and acknowledges that included within the Confidential Material are the Company's confidential commercial information, technology, methods of manufacture, designs, and any computer programs, source codes, object codes, executable codes and related materials, all as they may exist from time to time, and that they are valuable special and unique aspects of the Company's business. All such Confidential Material shall be and remain the property of the Company. Except as required by his duties to the Company, the Executive shall not, directly or indirectly, either during the Term of his employment or at any time thereafter, disclose or disseminate to anyone or make use of, for any purpose whatsoever, any Confidential Material. Upon termination of his employment, the Executive shall promptly deliver to the Company all Confidential Material (including all copies thereof, whether prepared by the Executive or others) which is in the possession or under the control of the Executive. The Executive shall not be deemed to have breached this Section 17 if the Executive shall be specifically compelled by lawful order of any judicial, legislative, or administrative authority or body to disclose any Confidential Material or else face civil or criminal penalty or sanction.

(b) The Executive hereby agrees that damages and any other remedy available at law would be inadequate to redress or remedy any loss or damage suffered by the Company upon any breach of the terms of this Section 17 by the Executive, and the Executive therefore agrees that the Company, in addition to recovering on any claim for damages or obtaining any other remedy available at law, also may enforce the terms of this Section 17 by injunction or specific performance, and may obtain any other appropriate remedy available in equity.

18. Provisions After Change of Control.

(a) In the event employment with the Company is terminated (other than as a consequence of death or Disability) either (x) by the Company for any reason other than for Cause during a Pending Change of Control (as hereinafter defined) or within one year following the occurrence of a Change of Control, or (y) by Executive for Good Reason within one year following the occurrence of a Change of Control, then Executive shall be entitled to receive from the Company, in lieu of the severance payment otherwise payable pursuant to Section 9(a), the following:

(i) a cash lump sum equal to two (2) years of Executive's base salary in effect on the Termination Date;

(ii) the Maximum Incentive Compensation; and (iii) full vesting of all outstanding stock options and restricted stock held by the Executive. The Company shall make the termination payments required hereunder within thirty (30) days of the Termination Date; provided, however, if such thirty (30) day period begins in one calendar year and ends in another calendar year, Executive will not have the right to designate the calendar year of payment.

(b) For purposes of this Agreement, the term “Change of Control” shall mean:

(i) The acquisition, other than from the Company, by any individual, entity or group (within the meaning of Rule 13d-3 promulgated under the Exchange Act or any successor provision) (any of the foregoing described in this Section 18(b)(i) (hereafter, a “Person”) of 20% or more of either (a) the then outstanding shares of capital stock of the Company (the “Outstanding Capital Stock”) or (b) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the “Voting Securities”), provided, however, that any acquisition by (x) the Company or any of its subsidiaries, or any employee benefit plan (or related trust) sponsored or maintained by the Company or any of its subsidiaries, or (y) any Person that is eligible, pursuant to Rule 13d-1 (b) under the Exchange Act, to file a statement on Schedule 13G with respect to its beneficial ownership of Voting Securities, whether or not such Person shall have filed a statement on Schedule 13G, unless such Person shall have filed a statement on Schedule 13D with respect to beneficial ownership of 35% or more of the Voting Securities or (z) any corporation with respect to which, following such acquisition, more than 60% respectively, of the then-outstanding shares of common stock of such corporation and the combined voting power of the then-outstanding voting securities of such corporation entitled to vote generally in the election of directors is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Capital Stock and Voting Securities immediately prior to such acquisition in substantially the same proportion as their ownership, immediately prior to such acquisition, of the Outstanding Capital Stock and Voting Securities, as the case may be, shall not constitute a Change of Control; or

(ii) Individuals who, as of the Effective Date, constitute the Board (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board, provided that any individual becoming a director subsequent to the date hereof whose election or nomination for election by the Company's shareholders was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individuals were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of the Directors of the Company (as such terms are used in Rule 14a-11 of Regulation 14A, or any successor section, promulgated under the Exchange Act); or

(iii) Approval by the shareholders of the Company of a reorganization, merger or consolidation (a “Business Combination”), in each case, with respect to which all or substantially all holders of the Outstanding Capital Stock and Voting Securities immediately prior to such Business Combination do not, following such Business Combination, beneficially own, directly or indirectly, more than 60% of, respectively, the then-outstanding shares of common stock and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from the Business Combination;

(iv) (a) a complete liquidation or dissolution of the Company or (b) a sale or other disposition of all or substantially all of the assets of the Company other than to a corporation with respect to which, following such sale or disposition, more than 60% of respectively, the then-outstanding shares of common stock and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors is then owned beneficially, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Capital Stock and Voting Securities immediately prior to such sale

or disposition in substantially the same proportion as their ownership of the Outstanding Capital Stock and Voting Securities, as the case may be, immediately prior to such sale or disposition; or

(v) The first purchase under a tender offer or exchange offer for 20% or more of the outstanding shares of stock (or securities convertible into stock) of the Company, other than an offer by the Company or any of its subsidiaries or any employee benefit plan sponsored by the Company or any of its subsidiaries.

(c) (For purposes of this Agreement, the term "Pending Change of Control" shall mean the occurrence of one of the following events as the result of which a Change in Control pursuant thereto is reasonably expected within ninety (90) days after the date of determination as to whether there is a Pending Change in Control: (i) the Company executes a letter of intent, term sheet or similar instrument with respect to a transaction or series of transactions, the consummation of which would result in a Change of Control; (ii) the Board approves a transaction or series of transactions, the consummation of which would result in a Change of Control; (iii) a Person makes public announcement of a tender offer for the common stock of the Company, the consummation of which would result in a Change of Control; or (iv) a Person makes a public announcement of, or makes a public filing with respect to, the intention of that Person to seek to change the membership of the Board of Directors of the Company in a manner that would result in a Change of Control. A Pending Change of Control shall cease to exist upon a Change of Control.

19. Notices. Any notice required or permitted to be given under this Agreement shall be sufficient if in writing and if sent by registered or certified mail, return receipt requested to his residence in the case of the Executive, or to its principal office in the case of the Company, or to such other addresses as they may respectively designate in writing.

20. Entire Agreement; Waiver. This Agreement contains the entire understanding of the parties and may not be changed orally but only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification or discharge is sought. Waiver of or failure to exercise any rights provided by this Agreement in any respect shall not be deemed a waiver of any further or future rights.

21. Binding Effect; Assignment. The rights and obligations of this Agreement shall bind and inure to the benefit of any successor of the Company by reorganization, merger or consolidation, or any assignee of all or substantially all of the Company's business or properties. The Executive's rights hereunder are personal to and shall not be transferable or assignable by the Executive.

22. Headings. The headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

23. Governing Law; Arbitration. This Agreement shall be construed in accordance with and governed for all purposes by the laws and public policy of the State of Arizona applicable to contracts executed and to be wholly performed within such state. Any dispute or controversy arising out of or relating to this Agreement shall be settled by arbitration in accordance with the rules of the American Arbitration Association and judgment upon the award may be entered in any court having jurisdiction thereover. The arbitration shall be held in Maricopa County or in such other place as the parties hereto may agree.

24. Further Assurances. Each of the parties agrees to execute, acknowledge, deliver and perform, and cause to be executed, acknowledged, delivered and performed, at any time and from time to time, all such further acts, deeds, assignments, transfers, conveyances, powers of attorney and/or assurances as may be necessary or proper to carry out the provisions or intent of this Agreement.

25. Severability. The parties agree that if any one or more of the terms, provisions, covenants or restrictions of this Agreement shall be determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

26. Counterparts. This Agreement may be executed in several counterparts, including by facsimile or electronically, including by .PDF format, each of which shall be deemed to be an original, but all of which together will constitute one and the same Agreement.

[Remainder of page intentionally left blank; signature page follows immediately hereafter.]

IN WITNESS WHEREOF, Amtech Systems, Inc. has caused this Agreement to be signed by a duly authorized officer, and the Executive has hereunto set his hand, in each case as of the day and year first above written.

AMTECH SYSTEMS, INC.

By: /s/ Fokko Pentinga
Its: Chief Executive Officer

BRADLEY C. ANDERSON

By: /s/ Bradley C. Anderson

**2007 EMPLOYEE STOCK
INCENTIVE PLAN
OF
AMTECH SYSTEMS, INC.
As Amended Effective April 9, 2015**

Section 1. Purpose of Plan

The purpose of this 2007 Employee Stock Incentive Plan (this “Plan”) of Amtech Systems, Inc., an Arizona corporation (the “Company”), is to enable the Company and any subsidiary corporation (as the term is defined in Code Section 424(f), hereinafter each a “Subsidiary” or the plural “Subsidiaries”) to attract, retain and motivate their officers and other key employees, and to further align the interests of such persons with those of the stockholders of the Company by providing for or increasing the proprietary interest of such persons in the Company. The Plan is intended to fall within an exception to coverage under Section 409A of the Internal Revenue Code.

Section 2. Administration of Plan

2.1 Composition of Committee. This Plan shall be administered by the Compensation and Option Committee of the Board of Directors (the “Committee”), as appointed from time to time by the Board of Directors. The Committee shall act pursuant to a majority vote or unanimous written consent. The Board of Directors, in its sole discretion, may exercise any authority of the Committee under this Plan in lieu of the Committee’s exercise thereof. Notwithstanding the foregoing, with respect to any Award that is intended to satisfy the conditions of Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) or Section 162(m)(4)(C) of the Internal Revenue Code of 1986, as amended (the “Code”), the Committee may appoint one or more separate committees (any such committee, a “Subcommittee”) composed of one or more directors of the Company (who may but need not be members of the Committee) and may delegate to any such Subcommittee(s) the authority to grant Awards, as defined in Section 5.1 hereof, under the Plan to Eligible Employees, to determine all terms of such Awards, and/or to administer the Plan or any aspect of it. Any action by any such Subcommittee within the scope of such delegation shall be deemed for all purposes to have been taken by the Committee. The Committee may designate the Secretary of the Company or other Company employees to assist the Committee in the administration of the Plan, and may grant authority to such persons to execute agreements or other documents evidencing Awards made under this Plan or other documents entered into under this Plan on behalf of the Committee or the Company.

2.2 Powers of the Committee. Subject to the express provisions of this Plan, the Committee shall be authorized and empowered to do all things necessary or desirable, in its sole discretion, in connection with the administration of this Plan, including, without limitation, the following:

(a) to prescribe, amend and rescind rules and regulations relating to this Plan and to define terms not otherwise defined herein; provided that, unless the Committee specifies otherwise, for purposes of this Plan (i) the term “fair market value” shall mean, as of any date, the closing price for a Share (as defined in Section 3.1) reported for the last trading day prior to such date by the NASDAQ Stock Market (or such other stock exchange or quotation system on which Shares are then listed or quoted) or, if no Shares are traded on the NASDAQ Stock Market (or such other stock exchange or quotation system) on the date in question, then for the next preceding date for which Shares traded on the NASDAQ Stock Market (or such other stock exchange or quotation system); and (ii) the term “Company” shall mean the Company and its Subsidiaries, unless the context otherwise requires;

(b) to determine which persons are Eligible Employees (as defined in Section 4), to which of such Eligible Employees, if any, Awards shall be granted hereunder and the timing of any such Awards, and to grant Awards;

(c) to grant Awards to Eligible Employees and determine the terms and conditions thereof, including the number of Shares subject to Awards and the exercise or purchase price of such Shares and the circumstances under which Awards become exercisable or vested or are forfeited or expire, which terms may but need not be conditioned upon the passage of time, continued employment, the satisfaction of performance criteria, the occurrence of certain events (including events which the Board or the Committee determine constitute a change of control), whether such Award complies with Code Section 409A, Treasury Regulations Sections 1.409A-1 through 1.409A-6) or other factors;

(d) to establish, verify the extent of satisfaction of, adjust, reduce or waive any performance goals or other conditions applicable to the grant, issuance, exercisability, vesting and/or ability to retain any Award and to consider the effect of such actions on the qualification of an Award as an Incentive Stock Option (“ISO”).

(e) to prescribe and amend the terms of the agreements or other documents evidencing Awards made under this Plan (which need not be identical);

(f) to determine whether, and the extent to which, adjustments are required pursuant to Section 9;

(g) to interpret and construe this Plan, any rules and regulations under this Plan and the terms and conditions of any Award granted hereunder, and to make exceptions to any such provisions in good faith and for the benefit of the Company; and

(h) to make all other determinations deemed necessary or advisable for the administration of this Plan.

2.3 Determinations of the Committee. All decisions, determinations and interpretations by the Committee regarding this Plan shall be final and binding on all Eligible Employees. The Committee shall consider such factors as it deems relevant to making such decisions, determinations and interpretations including, without limitation, the recommendations or advice of any director, officer or employee of the Company and such attorneys, consultants and accountants as it may select.

Section 3. Stock Subject to Plan

3.1 Aggregate Limits. The aggregate number of shares of the Company’s Common Stock, par value \$0.01 per share (“Shares”), issued pursuant to all Awards granted under this Plan shall not exceed Three Million (3,000,000). The aggregate number of Shares available for issuance under this Plan and the number of Shares subject to outstanding Awards shall be subject to adjustment as provided in Section 9. The Shares issued pursuant to this Plan may be Shares that either were reacquired by the Company, including Shares purchased in the open market, or authorized but unissued Shares.

3.2 Additional Limits. The aggregate number of Shares subject to Options granted under this Plan during any calendar year to any one Eligible Employee shall not exceed 250,000 (taking into account the number of shares associated with an Option granted and then cancelled during such calendar year). The aggregate number of Shares issued or issuable under all Awards granted under this Plan, other than Options, during any calendar year to any one Eligible Employee shall not exceed 250,000 (taking into account the number of shares associated with the Awards other than Options granted and then cancelled during such calendar year). The foregoing limitations of this Section 3.2 shall not apply to the extent that they are no longer required in order for compensation in connection with grants of Awards under this Plan to be treated as “performance-based compensation” under Code Section 162(m) and, if no longer required, a change in such limitation shall not be subject to stockholder approval as required under Section 12 hereof. The aggregate number of Shares that may be issued pursuant to the exercise of ISOs granted under this Plan shall not exceed 3,000,000, which number shall be calculated and adjusted pursuant to Section 3.3 and Section 9 only to the extent that such calculation or adjustment will not (i) require shareholder approval under Reg. § 1.422- 2(b)(3) or (ii) affect

the status of any Option intended to qualify as an ISO under Code Section 422, or whether this Plan meets the requirements under Code Section 422(b)(1).

3.3 *Issuance of Shares.* For purposes of Section 3.1, the aggregate number of Shares issued under this Plan at any time shall equal only the number of Shares actually issued upon exercise or settlement of an Award and shall not include Shares subject to Awards that have been canceled, expired or forfeited or Shares subject to Awards that have been delivered (either actually or constructively by attestation) to or retained by the Company in payment or satisfaction of the purchase price or exercise price of an Award.

Section 4. Persons Eligible Under Plan

Any person who is an employee or prospective employee of the Company or any of its Subsidiaries shall be eligible to be considered for the grant of Awards hereunder; provided that the Award to such prospective employee is conditioned on the prospective employee's commencement of employment (an "Eligible Employee"); provided, however, with respect to ISOs granted under this Plan, the aggregate fair market value (determined at the time the ISO is granted) of the Shares with respect to which the ISOs are exercisable for the first time by the optionee during any calendar year (under the plans of the Company) shall not exceed \$100,000.00. If any ISO is granted that exceeds the limitations of this Section 4 at the first time it is exercisable, it shall not be invalid, but shall constitute, and be treated as, a Nonqualified Option to the extent of such excess. The status of the chairman of the Board of Directors as an "employee" shall be determined by the Committee.

Section 5. Plan Awards

5.1 *Award Types.* The Committee, on behalf of the Company, is authorized under this Plan to enter into certain types of arrangements with Eligible Employees and to confer certain benefits on them. The following arrangements or benefits are authorized under this Plan if their terms and conditions are not inconsistent with the provisions of this Plan: Options and Restricted Stock. Such arrangements and benefits are sometimes referred to herein as "Awards." The authorized types of arrangements and benefits for which Awards may be granted are defined as follows:

(a) Options. An Option is a right granted under Section 6 to purchase a number of Shares at such exercise price, at such times, and on such other terms and conditions as are specified in the agreement or terms and conditions or other document evidencing the Award (the "Option Document"). Options intended to qualify as Incentive Stock Options ("ISOs") pursuant to Code Section 422 and Options not intended to qualify as ISOs ("Nonqualified Options") may be granted under Section 6.

(b) Restricted Stock. Restricted Stock is an award or issuance of Shares under Section 7, subject to certain restrictions and the risk of forfeiture and terms as are expressed in the agreement or other document evidencing the Award.

5.2 *Grants of Awards.* An Award may consist of one such arrangement or benefit or two or more of them in tandem, and the terms as established by the Committee for all Awards granted hereunder may include performance standards derived from the Qualifying Performance Criteria (as defined in Section 8.2 hereof), and the receipt of any Award may be contingent on performance standards derived from the Qualifying Performance Criteria.

Section 6. Options

6.1 The Committee may grant an Option or provide for the grant of an Option, either from time to time in the discretion of the Committee or automatically upon the occurrence of specified events, including, without limitation, the achievement of performance goals, the satisfaction of an event or condition within the control of the recipient of the Award or within the control of others.

6.1 *Option Document.* Each Option Document shall contain provisions regarding (a) the number of Shares that may be issued upon exercise of the Option, (b) the purchase price of the Shares and the means of payment

for the Shares, (c) the term of the Option, (d) such terms and conditions on the vesting and/or exercisability of an Option as may be determined from time to time by the Committee, (e) restrictions on the transfer of the Option and forfeiture provisions and (f) such further terms and conditions, in each case not inconsistent with this Plan as may be determined from time to time by the Committee. Option Documents evidencing ISOs shall contain such terms and conditions as may be necessary to qualify, to the extent determined desirable by the Committee, with the applicable provisions of Section 422 of the Code.

6.2 Option Price. Subject to the restriction set forth in the following sentence, the purchase price per share of the Shares subject to each Option granted under this Plan shall equal or exceed 100% of the fair market value of a Share on the date the Option is granted. The previous sentence notwithstanding, if, immediately before an Award intended to qualify as an ISO, an individual owns (or is treated as owning under the Code) stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company (or any related corporation within the meaning of Reg. § 1.421-1(i)(2)) employing the optionee, the purchase price shall be in no event less than one hundred ten percent (110%) of the stock's fair market value on the date of grant.

6.3 Option Term. The "Term" of each Option granted under this Plan, including any ISOs, shall be ten (10) years from the date of its grant, unless (i) the Company makes an Award intended to qualify as an ISO to an individual who owns (or is treated as owning under the Code) stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company (or any related corporation within the meaning of Reg. § 1.421-1(i)(2)) employing the optionee, in which case, the term shall be five (5) years from the date of its grant or (ii) the Committee provides for a lesser term.

6.4 Option Vesting. Options granted under this Plan shall be exercisable at such time and in such installments during the period prior to the expiration of the Option's Term as determined by the Committee. The Committee shall have the right to make the timing of the ability to exercise any Option granted under this Plan subject to continued employment, the passage of time and/or such performance requirements as deemed appropriate by the Committee.

6.5 Termination of Status as an Employee.

(a) Termination of Employment. Unless otherwise provided in an Award Agreement relating to an Option, if the employment of an Eligible Employee by the Company is terminated, whether voluntary or for cause, except if such termination occurs due to retirement, death or disability, the Option, to the extent not exercised, shall cease on the date on which Eligible Employee's employment by the Company is terminated. For purposes of this Section 6.5, an Eligible Employee who leaves the employ of the Company to become an employee of a subsidiary or parent corporation of the Company or a corporation which has assumed the Option of the Company as a result of a corporate reorganization, etc., shall not be considered to have terminated his employment. For purposes of this Section 6.5, the employment relationship of an employee of the Company or of a subsidiary corporation of the Company will be treated as continuing intact while he is on military or sick leave or other bona fide leave of absence (such as temporary employment by the government) if such leave does not exceed ninety (90) days, or, if longer, so long as his right to reemployment is guaranteed either by statute or by contract.

(b) Retirement. For purposes of the Plan, the retirement of an individual either pursuant to a pension or retirement plan adopted by the Company or at the normal retirement date prescribed from time to time by the Company, shall be deemed to be a termination of such individual's employment other than voluntary or for cause. If an Eligible Employee's termination is due to retirement, then the Eligible Employee may, but only within ninety (90) days after the date he ceases to be an employee of the Company, exercise his Option to the extent that he was entitled to exercise it at the date of such termination. To the extent that he was not entitled to exercise the Option at the date of such termination, or if he does not exercise such Option (which he was entitled to exercise) within the time specified herein, the Option shall terminate.

(c) **Disability.** Unless otherwise provided in an Award Agreement relating to an Option, in the event an Eligible Employee is unable to continue his employment with the Company as a result of his permanent and total disability (as defined in Section 22(e)(3) of the Code), he may, but only within one (1) year from the date of termination, exercise his Option to the extent he was entitled to exercise it at the date of such termination. To the extent that he was not entitled to exercise the Option at the date of termination, or if he does not exercise such Option (which he was entitled to exercise) within the time specified herein, the Option shall terminate.

(d) **Death of Eligible Employee.** Unless otherwise provided in an Award Agreement relating to an Option, if an Eligible Employee dies during the term of the Option and is at the time of his death an employee of the Company who shall have been in continuous status as an employee since the date of grant of the Option, the Option may be exercised at any time within one (1) year following the date of death (or such other period of time as is determined by the Committee), by the Eligible Employee's estate or by a person who acquired the right to exercise the Option by bequest or inheritance, but only to the extent that Eligible Employee was entitled to exercise the Option on the date of death. To the extent that decedent was not entitled to exercise the Option on the date of death, or if the Eligible Employee's estate, or person who acquired the right to exercise the Option by bequest or inheritance, does not exercise such Option (which he was entitled to exercise) within the time specified herein, the Option shall terminate.

6.6 **Payment of Exercise Price.** The exercise price of an Option shall be paid in the form of one or more of the following, as the Committee shall specify, either through the terms of the Option Document or at the time of exercise of an Option: (a) cash or certified or cashier's check, (b) payment under an arrangement with a broker selected or approved by the Company where payment is made pursuant to an irrevocable commitment by the broker to deliver to the Company proceeds from the sale of the Shares issuable upon exercise of the Option, or (c) a combination of (a) and (b).

6.7 **No Deferral Feature.** No Option shall have any feature that would allow for the deferral of compensation (within the meaning of Internal Revenue Code Section 409A) other than the deferral of recognition of income until the later of the exercise or disposition of the Option or the time the shares of Stock acquired subject to the exercise of the Option first become substantially vested (as defined in Treasury Regulation section 1.83-3(b)).

6.8 **No Option Repricing.** Without the approval of stockholders, the Company shall not reprice any Options. For purposes of this Plan, the term "reprice" shall mean lowering the exercise price of previously awarded Options within the meaning of Item 402(i) under Securities and Exchange Commission Regulation S-K (including canceling previously awarded Options and regranting them with a lower exercise price).

Section 7. Restricted Stock Awards

The Committee is authorized to make Awards of Restricted Stock to Eligible Employees in such amounts and subject to such terms and conditions as may be determined by the Committee. All Awards of Restricted Stock shall be evidenced by a Restricted Stock Award Agreement.

7.1 **Issuance and Restrictions.** Restricted Stock shall be subject to such restrictions on transferability and other restrictions as the Committee may impose (including, without limitation, limitations on the right to vote Restricted Stock or the right to receive dividends on the Restricted Stock). These restrictions may lapse separately or in combination of such times, under such circumstances, in such installments, upon the satisfaction of continued employment, standards derived from the Qualifying Performance Criteria, lapse of time, certain acceleration events like death or disability or otherwise, as the Committee determines at the time of the grant of the Award or thereafter.

7.2 **Forfeiture.** Except as otherwise determined by the Committee at the time of the grant of the Award or thereafter, upon termination of employment during the applicable restriction period or upon failure to satisfy a standard derived from the Qualifying Performance Criteria during the applicable restriction period,

Restricted Stock that is at that time subject to restrictions shall be forfeited and re-acquired by the Company; provided, however, that the Committee may provide in any Award Agreement that restrictions or forfeiture conditions relating to Restricted Stock will be waived in whole or in part in the event of terminations resulting from specified causes, and the Committee may in other cases waive in whole or in part restrictions or forfeiture conditions relating to Restricted Stock.

7.3 *Certificates for Restricted Stock.* Restricted Stock granted under the Plan may be evidenced in such manner as the Committee shall determine. If certificates representing shares of Restricted Stock are registered in the name of the Eligible Employee, certificates must bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Stock.

Section 8. Other Provisions Applicable to Awards

8.1 *Transferability.* Unless the agreement or other document evidencing an Award (or an amendment thereto authorized by the Committee) expressly states that the Award is transferable as provided hereunder and the transferability of such Award complies with Reg. § 1.422-2(a)(2) (v), no Award granted under this Plan, nor any interest in such Award, may be sold, assigned, conveyed, gifted, pledged, hypothecated or otherwise transferred in any manner prior to the vesting or lapse of any and all restrictions applicable thereto.

8.2 *Qualifying Performance Criteria.* For purposes of this Plan, the term “Qualifying Performance Criteria” shall mean any one or more of the following performance criteria, either individually, alternatively or in any combination, applied to either the Company as a whole, to a business unit or subsidiary, or based on comparisons of any of the performance measures relative to other companies, either individually, alternatively or in any combination, and measured either annually or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, to previous years’ results or to a designated comparison group, in each case as specified by the Committee in the Award: (a) cash flow, (b) earnings per share or increases of same, (c) earnings before interest, taxes and amortization, (d) return on equity, (e) total stockholder return, (f) share price performance, (g) return on capital or investment, (h) return on assets or net assets, (i) revenue, (j) income or net income, (k) operating income or net operating income, (l) operating profit or net operating profit, (m) operating margin or profit margin, (n) return on operating revenue, (o) pre-tax or after-tax profit levels expressed in either absolute dollars, (p) revenues or revenue growth, (q) economic or cash value added, (r) results of customer satisfaction surveys, (s) other measures of performance, quality, safety, productivity or process improvement, (t) market share and (u) overhead or other expense reduction. These factors may have a minimum performance standard, a target performance standard and a maximum performance standard. The Committee shall appropriately adjust any evaluation of performance under a Qualifying Performance Criteria to exclude any of the following events that occurs during a performance period: (i) asset write-downs, (ii) litigation or claim judgments or settlements, (iii) the effect of changes in tax law, accounting principles or other such laws or provisions affecting reported results, (iv) accruals for reorganization and restructuring programs and (v) any extraordinary non-recurring items as described in Accounting Principles Board Opinion No. 30 and/or in management’s discussion and analysis of financial condition and results of operations appearing in the Company’s annual report to stockholders for the applicable year.

8.3 *Dividends.* Unless otherwise provided by the Committee, no adjustment shall be made in Shares issuable under Awards on account of cash dividends that may be paid or other rights that may be issued to the holders of Shares prior to their issuance under any Award. The Committee shall specify whether dividends or dividend equivalent amounts shall be paid to any Eligible Employee with respect to the Shares subject to any Award that have not vested or been issued or that are subject to any restrictions or conditions on the record date for dividends.

8.4 *Documents Evidencing Awards.* The Committee shall, subject to applicable law, determine the date an Award is deemed to be granted, which for purposes of this Plan shall not be affected by the fact that an Award is contingent on subsequent stockholder approval of this Plan. The Committee or, except to the extent

prohibited under applicable law, its delegate(s) may establish the terms of agreements or other documents evidencing Awards under this Plan and may, but need not, require as a condition to any such agreement's or document's effectiveness that such agreement or document be executed by the Eligible Employee and that such Eligible Employee agrees to such further terms and conditions as specified in such agreement or document. The grant of an Award under this Plan shall not confer any rights upon the Eligible Employee holding such Award other than such terms, and subject to such conditions, as are specified in this Plan as being applicable to such type of Award (or to all Awards) or as are expressly set forth in the agreement or other document evidencing such Award.

8.5 *Financing.* Unless prohibited by federal and state law, or the rules or regulations thereunder, the Committee may in its discretion provide financing to an Eligible Employee in a principal amount sufficient to pay the purchase price of any Award and/or to pay the amount of taxes required by law to be withheld with respect to any Award. Any such loan shall be subject to all applicable legal requirements and restrictions pertinent thereto, including Regulation U promulgated by the Federal Reserve Board. The grant of an Award shall in no way obligate the Company or the Committee to provide any financing whatsoever in connection therewith.

8.6 *Compliance with Code Section 409A.* Notwithstanding any language to the contrary in this Plan, the Committee will ensure that the terms and conditions of any Awards issued will comply with the applicable provision of Code Section 409A or the regulations or other pronouncements thereunder.

8.7 *Additional Restrictions on Awards.* Either at the time an Award is granted or by subsequent action, the Committee may, but need not, impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any resales by an Eligible Employee or other subsequent transfers by an Eligible Employee of any Shares issued under an Award, including without limitation (a) restrictions under an insider trading policy, (b) restrictions designed to delay and/or coordinate the timing and manner of sales by Eligible Employees, and (c) restrictions as to the use of a specified brokerage firm for such resales or other transfers.

Section 9. Changes in Capital Structure

9.1 *Corporate Actions Unimpaired.* The existence of outstanding Awards shall not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations, exchanges, or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issuance of Shares or other securities or subscription rights thereto, or any issuance of bonds, debentures, preferred or prior preference stock ahead of or affecting the Shares or other securities of the Company or the rights thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise. Further, except as expressly provided herein or by the Committee, (a) the issuance by the Company of shares of stock of any class of securities convertible into shares of stock of any class, for cash, property, labor or services, upon direct sale, upon the exercise of rights or warrants to subscribe therefor, or upon conversion of shares or obligations of the Company convertible into such shares or other securities, (b) the payment of a dividend in property other than Shares, or (c) the occurrence of any similar transaction, and in any case whether or not for fair value, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number of Shares subject to Awards theretofore granted or the purchase price per Share, unless the Committee shall determine in its sole discretion that an adjustment is necessary to provide equitable treatment to an Eligible Employee.

9.2 *Adjustments Upon Certain Events.* If the outstanding Shares or other securities of the Company, or both, for which the Award is to be settled shall at any time be changed or exchanged by declaration of a stock dividend, stock split, combination of shares, recapitalization, or reorganization, the Committee may appropriately and equitably adjust the number and kind of Shares or other securities which are subject to the Plan or subject to any Awards theretofore granted, and the exercise or settlement prices of such Awards, so

as to maintain the proportionate number of Shares or other securities without changing the aggregate exercise or settlement price, provided, however, that such adjustment shall be made so as not to affect the status of any Award intended to qualify as an ISO or as “performance based compensation” under Section 162(m) of the Code.

Section 10. Mergers and Liquidation

Except as limited by the provisions of Code Section 422 of the Code and the terms of any individual Award, if the company is the surviving corporation in any merger or consolidation, all Awards shall remain in force, and any: (1) Option granted under the Plan shall remain outstanding pursuant to the terms of the Plan and the Award; and (2) Restricted Stock granted under the Plan shall continue to be outstanding pursuant to the terms of the Award and this Plan. Except to the extent otherwise provided in an Award document, by the Board, or as limited by Code Section 422, dissolution or liquidation of the Company shall cause every unvested Option, Restricted Stock or other Award for which there remains contingencies, conditions and unmet performance standards to terminate. Except as limited by Code Section 422, a merger or consolidation in which the Company is not the surviving corporation shall also cause every unvested Option or Restricted Stock for which there remains contingencies, conditions and unmet performance standards to terminate unless specifically provided otherwise in an Award document or by the Board.

Section 11. Taxes

11.1 *Withholding Requirements.* The Committee may make such provisions or impose such conditions as it may deem appropriate for the withholding or payment by an Eligible Employee of any taxes that the Committee determines are required in connection with any Award granted under this Plan, and an Eligible Employee’s rights in any Award are subject to satisfaction of such conditions.

11.2 *Payment of Withholding Taxes.* Notwithstanding the terms of Section 11.1, the Committee may provide in the agreement or other document evidencing an Award or otherwise that all or any portion of the taxes required to be withheld by the Company or, if permitted by the Committee, desired to be paid by the Eligible Employee, in connection with the exercise, vesting, settlement or transfer of any Award shall be paid or, at the election of the Eligible Employee, may be paid by the Company by withholding shares of the Company’s capital stock otherwise issuable or subject to such Award, or by the Eligible Employee delivering previously owned shares of the Company’s capital stock, in each case having a fair market value equal to the amount required by law to be withheld or paid, or by a broker selected or approved by the Company paying such amount pursuant to an irrevocable commitment by the broker to deliver to the Company proceeds from the sale of the Shares issuable under the Award. Any such election is subject to such conditions or procedures as may be established by the Committee and may be subject to approval by the Committee.

Section 12. Amendments or Termination

The Board may amend, alter or discontinue this Plan or any agreement or other document evidencing an Award made under this Plan but, except as provided pursuant to the anti-dilution adjustment provisions of Section 9.2, no such amendment shall, without the approval of the stockholders of the Company:

- (a) change the maximum number of shares of Common Stock for which Awards may be granted under this Plan;
- (b) extend the term of this Plan; or
- (c) change the class of persons eligible to be Eligible Employees.

The Board may amend, alter or discontinue the Plan or any agreement evidencing an Award made under the Plan, but no amendment or alteration shall be made which would impair the rights of any Award holder, without such holder’s consent, under any Award theretofore granted; provided that no such consent shall be required if the Committee determines in its sole discretion and prior to the date of any change in control, recapitalization, stock dividend, stock split, reorganization, merger, consolidation or similar type transaction

that such amendment or alteration either is required or advisable in order for the Company, the Plan, or any Award granted, to satisfy any law or regulation or to meet the requirements of any accounting standard.

Section 13. Compliance with Other Laws and Regulations

This Plan, the grant and exercise of Awards thereunder, and the obligation of the Company to sell, issue or deliver Shares under such Awards, shall be subject to all applicable federal, state and foreign laws, rules and regulations and to such approvals by any governmental or regulatory agency as may be required. The Company shall not be required to register in an Eligible Employee's name or deliver any Shares prior to the completion of any registration or qualification of such Shares under any federal, state or foreign law or any ruling or regulation of any government body which the Committee shall determine to be necessary or advisable. This Plan is intended to constitute an unfunded arrangement for the Eligible Employees.

Unless the Awards and Shares covered by this Plan have been registered under the Securities Act of 1933, as amended, or the Company has determined that such registration is unnecessary, each person receiving an Award and/or Shares pursuant to any Award may be required by the Company to give a representation in writing that such person is acquiring such Shares for his or her own account for investment and not with a view to, or for sale in connection with, the distribution of any part thereof.

Section 14. No Right to Company Employment

Nothing in this Plan or as a result of any Award granted pursuant to this Plan shall confer on any individual any right to continue in the employ of the Company or interfere in any way with the right of the Company to terminate an individual's employment at any time. The agreements or other documents evidencing Awards may contain such provisions as the Committee may approve with reference to the effect of approved leaves of absence.

Section 15. Liability of Company

The Company and any Affiliate which is in existence or hereafter comes into existence shall not be liable to an Eligible Employee or other persons as to:

(a) The Non-Issuance of Shares. The non-issuance or sale of shares as to which the Company has been unable to obtain from any regulatory body having jurisdiction the authority deemed by the Company's counsel to be necessary to the lawful issuance and sale of any shares hereunder; and

(b) Tax Consequences. Any tax consequence expected, but not realized, by any Eligible Employee or other person due to the receipt, exercise or settlement of any Award granted hereunder.

Section 16. Effectiveness and Expiration of Plan

This Plan shall be effective on the date the Company's Board of Directors adopts this Plan, and no ISOs shall be granted prior to such date. All Awards granted under this Plan are subject to, and may not be exercised before the approval of this Plan by the stockholders. If such approval by the stockholders of the Company is not forthcoming, all Awards previously granted under this Plan shall be void. No Awards shall be granted pursuant to this Plan after March 11, 2020.

Section 17. Incentive Stock Options

Notwithstanding anything in the Plan to the contrary, it is the intention of the Company and the Committee that all terms and provisions relating to ISOs of this Plan shall be consistent with the requirements of Code Section 422 and the applicable regulations thereunder, as of the effective date of this plan, and to the extent any term or provision of this Plan relating to ISOs is inconsistent with Code Section 422 and the applicable regulations thereunder at that date, the term or provision shall be read, interpreted or substituted so as to be consistent with the applicable provision of Code Section 422 or the regulations thereunder.

Section 18. Non-Exclusivity of Plan

Neither the adoption of this Plan by the Board nor the submission of this Plan to the stockholders of the Company for approval shall be construed as creating any limitations on the power of the Board or the Committee to adopt such other incentive arrangements as either may deem desirable, including without limitation, the granting of restricted stock or stock options otherwise than under this Plan, and such arrangements may be either generally applicable or applicable only in specific cases.

Section 19. Governing Law

This Plan and any agreements or other documents hereunder shall be interpreted and construed in accordance with the laws of the State of Arizona and applicable federal law. The Committee may provide that any dispute as to any Award shall be presented and determined in such forum as the Committee may specify, including through binding arbitration. Any reference in this Plan or in the agreement or other document evidencing any Award to a provision of law or to a rule or regulation shall be deemed to include any successor law, rule or regulation of similar effect or applicability.

Section 20. Miscellaneous Matters

20.1 *Annulment of Awards.* The grant of any Award payable in Shares is provisional until the Eligible Employee becomes entitled to the certificates in settlement thereof. In the event the employment of an Eligible Employee is terminated for cause (as defined below), any Award which is provisional shall be annulled as of the date of such termination for cause. For the purpose of this Section 20.1, the term “terminated for cause” means any discharge for violation of the policies and procedures of the Company or any Subsidiary or for other job performance or conduct which is detrimental to the best interests of the Company or a Subsidiary.

20.2 *Securities Law Restrictions.* No Shares shall be issued under the Plan unless counsel for the Company shall be satisfied that such issuance will be in compliance with applicable Federal and state securities laws. Certificates for Shares delivered under the Plan may be subject to such stock-transfer orders and other restrictions as the Committee may deem advisable under the rules, regulations, and other requirements of the Securities and Exchange Commission, any stock exchange upon which the Shares is then listed, and any applicable Federal or state securities law. The Committee may cause a legend or legends to be put on any such certificates to refer to those restrictions. Further, without limiting the foregoing, each person exercising an Option or receiving Restricted Stock may be required by the Company to give a representation in writing that he or she is acquiring Shares for his or her own account for investment and not with a view to, or for sale in connection with, the distribution of any part thereof (regardless of whether such option and Shares covered by the Plan are registered under the Securities Act of 1933, as amended). As a condition of transfer of the certificate evidencing Shares, the Committee may obtain such other agreements or undertakings, if any, that it may deem necessary or appropriate to assume compliance with any provisions of the Plan or any law or regulation. Certificates for Shares delivered under the Plan may be subject to such stock transfer orders and other restrictions as the Board may deem advisable under the rules, regulations, and other requirements of the Securities and Exchange Commission, any stock exchange upon which the Shares are then listed, and any applicable Federal or state securities laws. The Board may cause a legend or legends to be put on any such certificate to refer to those restrictions.

20.3 *Award Agreement.* Each Eligible Employee receiving an Award under the Plan shall enter into an Award Agreement (“Award Agreement”) with the Company in a form specified by the Committee agreeing to the terms and conditions of the Award and such related matters as the Committee, in its sole discretion, shall determine.

20.4 *Costs of Plan.* The costs and expenses of administering the Plan shall be borne by the Company.

20.5 *Tax Reimbursement Payments to Eligible Employees.* Unless prohibited by federal and state law, or the rules and regulations thereunder, the Committee, pursuant to the terms of the agreements or other documents pursuant to which specific Awards are made under the Plan, may agree to reimburse Eligible Employees for some or all of the federal, state and local income taxes associated with the grant or exercise

of an Award or the receipt of the cash or Shares from an Award (including any additional tax imposed due to Code Section 409A), or the 20% excise tax on any “excess parachute payments” under Code Sections 280G and Code Section 4999, and may agree to reimburse such Eligible Employees for some or all the additional federal, state and local income tax associated with the payments made under this Section 20.5.

20.6 *Government Regulations.* The Plan and the granting and exercise of Options and Shares hereunder, and the obligations of the Company to sell and deliver Shares under Options, shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

20.7 *Interpretation.* If any provision of the Plan is held invalid for any reason, such holding shall not affect the remaining provisions of the Plan, but instead the Plan shall be construed and enforced as if such provisions had never been included in the Plan. Headings contained in the Plan are for convenience only and shall in no manner be construed as part of this Plan. Any reference to the masculine, feminine or neuter gender shall be a reference to such other gender as is appropriate.
