

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

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended December 31, 2017

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ----- to -----

Commission file number 0-13163

**Acxiom Corporation**

(Exact Name of Registrant as Specified in Its Charter)

**DELAWARE**

(State or Other Jurisdiction of  
Incorporation or Organization)

**71-0581897**

(I.R.S. Employer  
Identification No.)

**301 E. Dave Ward Drive  
Conway, Arkansas**  
(Address of Principal Executive Offices)

**72032**  
(Zip Code)

**(501) 342-1000**

(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Emerging growth company

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

The number of shares of common stock, \$ 0.10 par value per share, outstanding as of February 2, 2018 was 79,100,637.

ACXIOM CORPORATION AND SUBSIDIARIES  
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REPORT ON FORM 10-Q  
December 31, 2017

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ACXIOM CORPORATION AND SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(Dollars in thousands)

	December 31, 2017	March 31, 2017
	(Unaudited)	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 177,807	\$ 170,343
Trade accounts receivable, net	155,634	142,768
Refundable income taxes	6,365	7,098
Other current assets	42,357	48,310
Total current assets	<u>382,163</u>	<u>368,519</u>
Property and equipment, net of accumulated depreciation and amortization	153,039	155,974
Software, net of accumulated amortization	37,489	47,638
Goodwill	592,827	592,731
Purchased software licenses, net of accumulated amortization	7,775	7,972
Deferred income taxes	9,621	10,261
Other assets, net	43,576	51,443
	<u>\$ 1,226,490</u>	<u>\$ 1,234,538</u>
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Current installments of long-term debt	\$ 1,837	\$ 39,819
Trade accounts payable	46,211	40,208
Accrued payroll and related expenses	36,592	53,238
Other accrued expenses	53,999	59,861
Deferred revenue	34,169	37,087
Total current liabilities	<u>172,808</u>	<u>230,213</u>
Long-term debt	227,943	189,241
Deferred income taxes	34,300	58,374
Other liabilities	17,328	17,730
Commitments and contingencies		
Equity:		
Common stock	13,552	13,288
Additional paid-in capital	1,216,565	1,154,429
Retained earnings	623,156	602,609
Accumulated other comprehensive income	9,826	7,999
Treasury stock, at cost	(1,088,988)	(1,039,345)
Total equity	<u>774,111</u>	<u>738,980</u>
	<u>\$ 1,226,490</u>	<u>\$ 1,234,538</u>

See accompanying notes to condensed consolidated financial statements.

ACXIOM CORPORATION AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(Unaudited)  
(Dollars in thousands, except per share amounts)

	For the three months ended	
	December 31,	
	2017	2016
Revenues	\$ 234,871	\$ 223,312
Cost of revenue	115,920	116,468
Gross profit	<u>118,951</u>	<u>106,844</u>
Operating expenses:		
Research and development	23,318	20,950
Sales and marketing	53,730	43,048
General and administrative	30,886	31,620
Gains, losses and other items, net	(41)	2,111
Total operating expenses	<u>107,893</u>	<u>97,729</u>
Income from operations	<u>11,058</u>	<u>9,115</u>
Other income (expense):		
Interest expense	(2,566)	(1,743)
Other, net	419	35
Total other expense	<u>(2,147)</u>	<u>(1,708)</u>
Income before income taxes	8,911	7,407
Income taxes (benefit)	(14,030)	6,334
Net earnings	<u>\$ 22,941</u>	<u>\$ 1,073</u>
Basic earnings per share	<u>\$ 0.29</u>	<u>\$ 0.01</u>
Diluted earnings per share	<u>\$ 0.28</u>	<u>\$ 0.01</u>

See accompanying notes to condensed consolidated financial statements.

ACXIOM CORPORATION AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(Unaudited)  
(Dollars in thousands, except per share amounts)

	For the nine months ended	
	December 31,	
	2017	2016
Revenues	\$ 672,625	\$ 655,380
Cost of revenue	344,952	359,392
Gross profit	<u>327,673</u>	<u>295,988</u>
Operating expenses:		
Research and development	70,894	58,631
Sales and marketing	152,288	118,243
General and administrative	95,166	91,993
Gains, losses and other items, net	3,521	2,724
Total operating expenses	<u>321,869</u>	<u>271,591</u>
Income from operations	5,804	24,397
Other income (expense):		
Interest expense	(7,432)	(5,244)
Other, net	(61)	135
Total other expense	<u>(7,493)</u>	<u>(5,109)</u>
Income (loss) before income taxes	(1,689)	19,288
Income taxes (benefit)	(19,994)	7,099
Net earnings	<u>\$ 18,305</u>	<u>\$ 12,189</u>
Basic earnings per share	<u>\$ 0.23</u>	<u>\$ 0.16</u>
Diluted earnings per share	<u>\$ 0.22</u>	<u>\$ 0.15</u>

See accompanying notes to condensed consolidated financial statements.

ACXIOM CORPORATION AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
(Unaudited)  
(Dollars in thousands)

	For the three months ended	
	December 31,	
	2017	2016
Net earnings	\$ 22,941	\$ 1,073
Other comprehensive income:		
Change in foreign currency translation adjustment	416	(1,340)
Unrealized gain on interest rate swap	—	21
Other comprehensive income	416	(1,319)
Comprehensive income	<u>\$ 23,357</u>	<u>\$ (246)</u>

*See accompanying notes to condensed consolidated financial statements.*

ACXIOM CORPORATION AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
(Unaudited)  
(Dollars in thousands)

	For the nine months ended	
	December 31,	
	2017	2016
Net earnings	\$ 18,305	\$ 12,189
Other comprehensive income (loss):		
Change in foreign currency translation adjustment	1,827	(2,410)
Unrealized gain on interest rate swap	—	117
Other comprehensive income (loss)	1,827	(2,293)
Comprehensive income	<u>\$ 20,132</u>	<u>\$ 9,896</u>

*See accompanying notes to condensed consolidated financial statements.*

ACXIOM CORPORATION AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENT OF EQUITY  
NINE MONTHS ENDED DECEMBER 31, 2017  
(Unaudited)  
(Dollars in thousands)

	Common Stock		Additional paid-in Capital	Retained earnings	Accumulated other comprehensive income	Treasury Stock		Total Equity
	Number of shares	Amount				Number of shares	Amount	
Balances at March 31, 2017	132,875,373	\$13,288	\$1,154,429	\$602,609	\$ 7,999	(54,582,392)	\$(1,039,345)	\$ 738,980
Cumulative-effect adjustment from adoption of ASU 2016-09	—	—	384	2,242	—	—	—	\$ 2,626
Employee stock awards, benefit plans and other issuances	805,768	80	15,229	—	—	(389,912)	(10,202)	\$ 5,107
Non-cash stock-based compensation	487,385	49	46,658	—	—	—	—	\$ 46,707
Restricted stock units vested	1,351,652	135	(135)	—	—	—	—	\$ —
Acquisition of treasury stock	—	—	—	—	—	(1,588,964)	(39,441)	\$ (39,441)
Comprehensive income:								
Foreign currency translation	—	—	—	—	1,827	—	—	\$ 1,827
Net earnings	—	—	—	18,305	—	—	—	\$ 18,305
Balances at December 31, 2017	<u>135,520,178</u>	<u>\$13,552</u>	<u>\$1,216,565</u>	<u>\$623,156</u>	<u>\$ 9,826</u>	<u>(56,561,268)</u>	<u>\$(1,088,988)</u>	<u>\$ 774,111</u>

See accompanying notes to condensed consolidated financial statements



ACXIOM CORPORATION AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Unaudited)  
(Dollars in thousands)

	For the nine months ended	
	December 31,	
	2017	2016
Cash flows from operating activities:		
Net earnings	\$ 18,305	\$ 12,189
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	63,719	61,097
Loss (gain) on disposal or impairment of assets	2,646	(520)
Accelerated deferred debt costs	720	—
Deferred income taxes	(20,451)	(1,982)
Non-cash stock compensation expense	46,707	33,955
Changes in operating assets and liabilities:		
Accounts receivable, net	(11,432)	(6,161)
Other assets	(1,277)	8,653
Accounts payable and other liabilities	(18,232)	(11,819)
Deferred revenue	(4,314)	(10,247)
Net cash provided by operating activities	<u>76,391</u>	<u>85,165</u>
Cash flows from investing activities:		
Capitalized software development costs	(10,332)	(11,171)
Capital expenditures	(26,950)	(30,096)
Data acquisition costs	(621)	(463)
Equity investments	(1,000)	—
Net cash received from disposition	4,000	16,988
Net cash paid in acquisitions	—	(137,383)
Net cash used in investing activities	<u>(34,903)</u>	<u>(162,125)</u>
Cash flows from financing activities:		
Proceeds from debt	230,000	70,000
Payments of debt	(226,732)	(24,173)
Fees for debt refinancing	(4,001)	—
Sale of common stock, net of stock acquired for withholding taxes	5,107	9,670
Excess tax benefits from stock-based compensation	—	1,785
Acquisition of treasury stock	(39,441)	(30,542)
Net cash provided by (used) in financing activities	<u>(35,067)</u>	<u>26,740</u>
Effect of exchange rate changes on cash	<u>1,043</u>	<u>(1,559)</u>
Net change in cash and cash equivalents	7,464	(51,779)
Cash and cash equivalents at beginning of period	170,343	189,629
Cash and cash equivalents at end of period	<u>\$ 177,807</u>	<u>\$ 137,850</u>

See accompanying notes to condensed consolidated financial statements.

ACXIOM CORPORATION AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)  
(Unaudited)  
(Dollars in thousands)

	For the nine months ended December 31,	
	2017	2016
Supplemental cash flow information:		
Cash paid during the period for:		
Interest	\$ 6,712	\$ 5,301
Income taxes, net of refunds	1,152	4,796
Non-cash investing and financing activities:		
Leasehold improvements paid directly by lessor	978	—

See accompanying notes to condensed consolidated financial statements.

ACXIOM CORPORATION AND SUBSIDIARIES  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(Unaudited)

1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

These condensed consolidated financial statements have been prepared by Acxiom Corporation ("Registrant," "Acxiom," we, us or the "Company"), without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC" or the "Commission"). In the opinion of the Registrant's management, all adjustments necessary for a fair presentation of the results for the periods included have been made, and the disclosures are adequate to make the information presented not misleading. All such adjustments are of a normal recurring nature. Certain note information has been omitted because it has not changed significantly from that reflected in Notes 1 through 19 of the Notes to Consolidated Financial Statements filed as part of Item 8 of the Registrant's annual report on Form 10-K for the fiscal year ended March 31, 2017 ("2017 Annual Report"), as filed with the Commission on May 26, 2017. This quarterly report and the accompanying condensed consolidated financial statements should be read in connection with the 2017 Annual Report. The financial information contained in this quarterly report is not necessarily indicative of the results to be expected for any other period or for the full fiscal year ending March 31, 2018.

Management of the Company has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these condensed consolidated financial statements in conformity with accounting principles generally accepted in the United States ("U.S. GAAP"). Actual results could differ from those estimates. Certain of the accounting policies used in the preparation of these condensed consolidated financial statements are complex and require management to make judgments and/or significant estimates regarding amounts reported or disclosed in these financial statements. Additionally, the application of certain of these accounting policies is governed by complex accounting principles and their interpretation. A discussion of the Company's significant accounting principles and their application is included in Note 1 of the Notes to Consolidated Financial Statements and in Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, of the Company's 2017 Annual Report.

Accounting Pronouncements Adopted During the Current Year

In January 2017, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2017-01, "Business Combinations (Topic 805): Clarifying the Definition of a Business" ("ASU 2017-01"), which amended the existing FASB Accounting Standards Codification. The standard provides additional guidance to assist entities with evaluation of whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The definition of a business affects many areas of accounting, including acquisitions, disposals, goodwill, and consolidation. ASU 2017-01 is effective for the Company beginning in fiscal 2019, with early adoptions permitted. We adopted the standard in the current fiscal year, on a prospective basis, and do not expect the adoption of this guidance to have a material impact on our condensed consolidated financial statements and related disclosures.

In November 2016, the FASB issued ASU 2016-18, "Statement of Cash Flows (Topic 230): Restricted Cash" ("ASU 2016-18"). This standard is intended to reduce diversity in the presentation of restricted cash and restricted cash equivalents in the statement of cash flows. The standard requires that restricted cash and restricted cash equivalents be included as components of total cash and cash equivalents as presented on the statement of cash flows. As a result, entities will no longer present transfers between cash and cash equivalents and restricted cash and restricted cash equivalents in the statement of cash flows. ASU 2016-18 is effective for annual periods beginning after December 15, 2017 (fiscal 2019 for the Company), including interim periods within those fiscal years; earlier adoption is permitted. We adopted the standard during the current fiscal year. Early adoption did not result in any changes to our existing accounting policies, presentation of items in our condensed consolidated financial statements and related disclosures, or any changes resulting from the retrospective application to all periods reported.

In March 2016, the FASB issued ASU No. 2016-09, "Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting" ("ASU 2016-09"), which is intended to improve the accounting for stock-based payment transactions as part of the FASB's simplification initiative. The ASU changes five aspects of the accounting for stock-based payment award transactions that will affect public companies,

including: (1) accounting for income taxes; (2) classification of excess tax benefits on the statement of cash flows; (3) forfeitures; (4) minimum statutory tax withholding requirements; and (5) classification of employee taxes paid on the statement of cash flows when an employer withholds shares for tax-withholding purposes. The inclusion of excess tax benefits and deficiencies as a component of income tax expense will increase volatility within our provision for income taxes as the amount of excess tax benefits or deficiencies from stock-based compensation awards depends on our stock price at the date the awards vest or the date of option exercises. This guidance also requires excess tax benefits to be presented as an operating activity on the statement of cash flows and allows an entity to make an accounting policy election to either estimate expected forfeitures or to account for them as they occur.

We adopted ASU No. 2016-09 during the current fiscal year, which required us to reflect any adjustments as of April 1, 2017. We elected to account for forfeitures as they occur rather than estimating expected forfeitures. We recorded the cumulative impact of adoption through an increase in retained earnings of \$2.2 million, of which \$2.6 million related to deferred tax assets from certain federal and state research tax credit carryforwards attributable to excess tax benefits from stock-based compensation that had not been previously recognized, offset by \$0.4 million related to elimination of the forfeiture pool. We elected to prospectively adopt the effect on the statement of cash flows and accordingly, did not restate the Condensed Consolidated Statement of Cash Flows for the nine months ended December 31, 2016.

#### Recent Accounting Pronouncements Not Yet Adopted

In January 2017, the FASB issued ASU 2017-04, "Intangibles-Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment" ("ASU 2017-04"), which eliminates step two from the goodwill impairment test. Under ASU 2017-04, an entity should recognize an impairment charge for the amount by which the carrying amount of a reporting unit exceeds its fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. ASU 2017-04 is effective for annual periods beginning after December 15, 2019 (fiscal 2021 for the Company), including interim periods within those fiscal years; earlier adoption is permitted for goodwill impairment tests performed on testing dates after January 1, 2017. The Company does not expect the adoption of this guidance to have a material impact on its consolidated financial statements and related disclosures.

In February 2016, the FASB issued ASU No. 2016-02, "Leases (Topic 842)" ("ASU 2016-02"), as a comprehensive new standard that amends various aspects of existing guidance for leases and requires additional disclosures about leasing arrangements. The new standard will require lessees to recognize a right-of-use asset and a lease liability on the balance sheet for all leases with the exception of short-term leases. For lessees, leases will continue to be classified as either operating or finance in the income statement. Lessor accounting is similar to the current model but updated to align with certain changes to the lessee model. Lessors will continue to classify leases as operating, direct financing or sales-type leases. ASU 2016-02 is effective for annual periods beginning after December 15, 2018 (fiscal 2020 for the Company), including interim periods within those fiscal years. Earlier adoption is permitted. In the financial statements in which the ASU is first applied, leases shall be measured and recognized at the beginning of the earliest comparative period presented with an adjustment to equity. The Company is continuing to evaluate the impact of the adoption of this guidance on its consolidated financial statements and related disclosures.

In May 2014, the FASB issued update ASU 2014-09, "Revenue from Contracts with Customers (Topic 606)" ("ASU 2014-09") and issued subsequent amendments to the initial guidance in August 2015, March 2016, April 2016, May 2016, and December 2016 within ASU 2015-14, ASU 2016-08, ASU 2016-10, ASU 2016-12 and ASU 2016-20, respectively (ASU 2014-09 and the subsequent amendments, collectively, "Topic 606"). Topic 606 supersedes nearly all existing revenue recognition guidance under U.S. GAAP. The core principle of the new guidance is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration that is expected to be received for those goods or services. The guidance defines a five-step process to achieve this core principle and, in doing so, it is possible more judgment and estimates may be required within the revenue recognition process than are required under existing U.S. GAAP, including identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation, among others. Topic 606 also provides guidance on the recognition of costs related to obtaining customer contracts. The effective date for the Company is the first quarter of fiscal 2019 using either of two methods: (i) retrospective application to each prior reporting period presented with the option to elect certain practical expedients; or (ii) retrospective application with the cumulative effect recognized at the date of initial application and providing certain additional disclosures. The Company has completed its preliminary assessment of the new standard and is continuing assessment as we complete

implementation design activities. We plan to adopt Topic 606 in the first quarter of fiscal 2019 pursuant to the aforementioned adoption method (ii), and we do not believe there will be a material impact to our revenues upon adoption. We are continuing to evaluate the impact to our revenues related to our pending adoption of Topic 606 and our preliminary assessments are subject to change. We are also continuing to evaluate the provisions of Topic 606 related to costs of obtaining customer contracts.

The Company does not anticipate that the adoption of any other recent accounting pronouncements will have a material impact on the Company's consolidated financial position, results of operations or cash flows.

## 2. EARNINGS PER SHARE AND STOCKHOLDERS' EQUITY:

### Earnings Per Share

A reconciliation of the numerator and denominator of basic and diluted earnings per share is shown below (in thousands, except per share amounts):

	For the three months ended		For the nine months ended	
	December 31,		December 31,	
	2017	2016	2017	2016
<u>Basic earnings per share:</u>				
Net earnings	\$ 22,941	\$ 1,073	\$ 18,305	\$ 12,189
Basic weighted-average shares outstanding	79,043	77,507	78,983	77,475
Basic earnings per share	\$ 0.29	\$ 0.01	\$ 0.23	\$ 0.16
<u>Diluted earnings per share:</u>				
Basic weighted-average shares outstanding	79,043	77,507	78,983	77,475
Dilutive effect of common stock options, warrants, and restricted stock as computed under the treasury stock method	2,826	2,344	2,611	2,019
Diluted weighted-average shares outstanding	81,869	79,851	81,594	79,494
Diluted earnings per share	\$ 0.28	\$ 0.01	\$ 0.22	\$ 0.15

Options and warrants to purchase shares of common stock and restricted stock units that were outstanding during the periods presented but were not included in the computation of diluted earnings per share because the effect was anti-dilutive are shown below (shares in thousands):

	For the three months ended		For the nine months ended	
	December 31,		December 31,	
	2017	2016	2017	2016
Number of shares outstanding under options, warrants and restricted stock units	97	156	89	345
Range of exercise prices for options	\$32.85	\$32.85	\$32.85	\$20.27-\$32.85

### Stockholders' Equity

On August 29, 2011, the board of directors adopted a common stock repurchase program. That program was subsequently modified and expanded, most recently on July 28, 2016. Under the modified common stock repurchase program, the Company may purchase up to \$400.0 million of its common stock through the period ending June 30, 2018. During the nine months ended December 31, 2017, the Company repurchased 1.6 million shares of its common stock for \$39.4 million. Through December 31, 2017, the Company had repurchased a total

of 18.4 million shares of its stock for \$325.2 million, leaving remaining capacity of \$74.8 million under the stock repurchase program.

#### Accumulated Other Comprehensive Income

Accumulated other comprehensive income accumulated balances of \$9.8 million and \$8.0 million at December 31, 2017 and March 31, 2017, respectively, reflect accumulated foreign currency translation adjustments.

### 3. SHARE-BASED COMPENSATION:

#### Share-based Compensation Plans

The Company has stock option and equity compensation plans for which a total of 34.5 million shares of the Company's common stock have been reserved for issuance since the inception of the plans. These plans provide that the exercise prices of qualified options will be at or above the fair market value of the common stock at the time of the grant. Board policy requires that nonqualified options also be priced at or above the fair market value of the common stock at the time of grant. At December 31, 2017, there were a total of 6.2 million shares available for future grants under the plans.

During the quarter ended June 30, 2017, the Board voted to amend the Amended and Restated 2005 Equity Compensation Plan to increase the number of shares available under the plan from 28.4 million shares to 32.9 million shares, bringing the total number of shares reserved for issuance since inception of the plans from 30.0 million shares at March 31, 2017 to 34.5 million shares at December 31, 2017. That amendment received shareholder approval at the August 8, 2017 annual shareholders' meeting.

#### Stock Option Activity

Stock option activity for the nine months ended December 31, 2017 was:

	Number of shares	Weighted-average exercise price per share	Weighted-average remaining contractual term (in years)	Aggregate Intrinsic value (in thousands)
Outstanding at March 31, 2017	3,033,071	\$ 13.14		
Performance units converted to options	299,641	\$ 21.32		
Exercised	(526,842)	\$ 15.05		\$ 6,044
Forfeited or canceled	(88,870)	\$ 20.08		
Outstanding at December 31, 2017	2,717,000	\$ 13.45	5.7	\$ 38,448
Exercisable at December 31, 2017	2,109,993	\$ 13.53	5.1	\$ 29,701

The aggregate intrinsic value at period end represents the total pre-tax intrinsic value (the difference between Acxiom's closing stock price on the last trading day of the period and the exercise price for each in-the-money option) that would have been received by the option holders had option holders exercised their options on December 31, 2017. This amount changes based upon changes in the fair market value of Acxiom's common stock.

A summary of stock options outstanding and exercisable as of December 31, 2017 was:

Range of exercise price per share	Options outstanding			Options exercisable	
	Options outstanding	Weighted-average remaining contractual life	Weighted-average exercise price per share	Options exercisable	Weighted-average exercise price per share
\$ 0.61 — \$ 9.99	690,169	6.4 years	\$ 1.68	474,434	\$ 1.77
\$ 10.00 — \$ 19.99	1,262,595	4.9 years	\$ 14.94	1,076,909	\$ 14.47
\$ 20.00 — \$ 24.99	744,684	6.6 years	\$ 21.31	539,098	\$ 21.33
\$ 25.00 — \$ 32.85	19,552	5.9 years	\$ 32.85	19,552	\$ 32.85
	2,717,000	5.7 years	\$ 13.45	2,109,993	\$ 13.53

Total expense related to stock options for the nine months ended December 31, 2017 and 2016 was approximately \$4.1 million and \$5.4 million, respectively. Future expense for these options is expected to be approximately \$7.1 million in total over the next four years.

#### Performance Stock Option Unit Activity

Performance stock option unit activity for the nine months ended December 31, 2017 was:

	Number of shares	Weighted-average exercise price per share	Weighted-average remaining contractual term (in years)	Aggregate intrinsic value (in thousands)
Outstanding at March 31, 2017	555,123	\$ 21.41		
Performance units converted to options	(183,322)	\$ 21.41		
Forfeited or canceled	(25,201)	\$ 21.32		
Outstanding at December 31, 2017	346,600	\$ 21.41	1.9	\$ 2,131
Exercisable at December 31, 2017	—	\$ —	—	\$ —

Of the performance stock option units outstanding at March 31, 2017, 183,322 reached maturity of the relevant performance period at March 31, 2017. During the quarter ended June 30, 2017, the units vested at an approximate 163% attainment level resulting in issuance of 299,641 stock options having a weighted average exercise price of \$21.32.

Total expense related to performance stock option units for the nine months ended December 31, 2017 and 2016 was \$0.9 million and \$1.0 million, respectively. Future expense for these performance stock option units is expected to be approximately \$2.1 million in total over the next four years.

#### Stock Appreciation Right ("SAR") Activity

SAR activity for the nine months ended December 31, 2017 was:

	Number of shares	Weighted-average exercise price per share	Weighted-average remaining contractual term (in years)	Aggregate intrinsic value (in thousands)
Outstanding at March 31, 2017	245,404	\$ 40.00		
Forfeited or canceled	(245,404)	\$ 40.00		
Outstanding at December 31, 2017	—	\$ —	—	\$ —

All of the SAR units outstanding at March 31, 2017 reached maturity of the relevant performance period on March 31, 2017. The units achieved a 100% performance attainment level. However, application of the vesting multiplier resulted in zero shares granted and cancellation of all the units during the quarter ended June 30, 2017.

#### Restricted Stock Unit Activity

During the nine months ended December 31, 2017, the Company granted time-vesting restricted stock units covering 1,687,416 shares of common stock with a fair value at the date of grant of \$44.2 million. Of the restricted stock units granted in the current period, 358,812 vest in equal annual increments over four years, 106,571 vest in equal annual increments over three years, 1,008,851 vest 25% at the one-year anniversary and 75% in equal quarterly increments over the subsequent three years, 174,368 vest 50% at the one-year anniversary and 50% in equal quarterly increments over the following year, and 38,814 vest in one year. Grant date fair value of these units is equal to the quoted market price for the shares on the date of grant.

Non-vested time-vesting restricted stock unit activity for the nine months ended December 31, 2017 was:

	Number of shares	Weighted-average fair value per share at grant date	Weighted-average remaining contractual term (in years)
Outstanding at March 31, 2017	3,307,577	\$ 22.57	2.45
Granted	1,687,416	\$ 26.17	
Vested	(1,067,370)	\$ 22.30	
Forfeited or canceled	(345,581)	\$ 23.36	
Outstanding at December 31, 2017	<u>3,582,042</u>	<u>\$ 24.27</u>	2.48

During the nine months ended December 31, 2017, the Company granted performance-based restricted stock units covering 425,880 shares of common stock having a fair value at the date of grant of \$11.2 million. Of the performance-based restricted stock units granted in the current period, 221,746 units - having a fair value at the date of grant of \$6.2 million, determined using a Monte Carlo simulation model - vest subject to attainment of performance criteria established by the compensation committee of the board of directors ("compensation committee") and continuous employment through the vesting date. The 221,746 units may vest in a number of shares from zero to 200% of the award, based on the total shareholder return of Acxiom common stock compared to total shareholder return of a group of peer companies ("TSR") established by the compensation committee for the period from April 1, 2017 to March 31, 2020.

Of the performance-based restricted stock units granted in the current period, 87,184 units - having a fair value at the date of grant of \$2.1 million, based on the quoted market price for the shares on the date of grant - vest over two periods, each being subject to attainment of performance criteria established by the compensation committee and continuous employment through the vesting date. At the end of the first year, the performance units may vest in a number of shares, from zero to 75% of the initial award. At the end of the second year, the performance units may vest in a number of shares, from zero to 150% of the initial award, less the number of shares awarded at completion of year one. The units will vest based on the attainment of certain revenue growth initiatives for the period from October 1, 2017 to September 30, 2019.

The remaining 116,950 performance-based restricted stock units granted in the current period - having a fair value at the date of grant of \$2.9 million, based on the quoted market price for the shares on the date of grant - vest in three equal tranches, each being subject to attainment of performance criteria established by the compensation committee and continuous employment through the vesting date. Each of the three tranches may vest in a number of shares, from zero to 300% of the initial award, based on the attainment of certain revenue growth and operating margin targets for the years ending March 31, 2018, 2019, and 2020, respectively.

Non-vested performance-based restricted stock unit activity for the nine months ended December 31, 2017 was:

	Number of shares	Weighted-average fair value per share at grant date	Weighted-average remaining contractual term (in years)
Outstanding at March 31, 2017	732,711	\$ 20.89	1.13
Granted	425,880	\$ 26.22	
Additional earned performance shares	94,775	\$ 19.46	
Vested	(252,760)	\$ 19.46	
Forfeited or canceled	(48,422)	\$ 22.00	
Outstanding at December 31, 2017	<u>952,184</u>	<u>\$ 23.45</u>	1.37



Of the performance-based restricted stock units outstanding at March 31, 2017, 157,985 related to a performance period ended March 31, 2017. During the quarter ended June 30, 2017, the units vested at a 160% attainment level based on performance results approved by the compensation committee, resulting in issuance of 252,760 shares of common stock, of which 94,775 were the additional earned performance shares referenced in the table above.

Of the performance-based restricted stock units outstanding at December 31, 2017, 251,399 will reach maturity of the relevant performance period at March 31, 2018. The units are expected to vest at an approximate 200% attainment level, resulting in issuance of approximately 502,798 shares of common stock, before consideration of the TSR multiplier, in the first quarter of fiscal 2019.

Total expense related to restricted stock for the nine months ended December 31, 2017 and 2016 was approximately \$29.5 million and \$24.4 million, respectively. Future expense for restricted stock units is expected to be approximately \$11.8 million for the three months ending March 31, 2018, \$36.0 million in fiscal 2019, \$24.6 million in fiscal 2020, \$11.7 million in fiscal 2021, and \$2.0 million in fiscal 2022.

#### *Other Performance Unit Activity*

Other performance-based stock unit activity for the nine months ended December 31, 2017 was:

	Number of shares	Weighted-average fair value per share at grant date	Weighted-average remaining contractual term (in years)
Outstanding at March 31, 2017	597,193	\$ 4.14	0.30
Vested	(24,573)	\$ 2.94	
Forfeited or canceled	(461,509)	\$ 3.92	
Outstanding at December 31, 2017	<u>111,111</u>	<u>\$ 5.33</u>	0.25

Of the other performance-based stock units outstanding at March 31, 2017, 201,464 reached maturity of the relevant performance period on March 31, 2017. The units achieved a 100% performance attainment level. However, application of the share price adjustment factor resulted in zero shares granted and cancellation of all the units during the quarter ended June 30, 2017.

Of the other performance-based stock units outstanding at March 31, 2017, 284,618 reached maturity of the relevant performance period on June 30, 2017. The units achieved an approximate 9% performance attainment level, resulting in issuance of 24,573 shares of common stock during the quarter ended September 30, 2017.

The remaining 111,111 performance-based units outstanding at December 31, 2017 will reach maturity of the relevant performance period on March 31, 2018. The units are expected to achieve a 100% performance attainment level. However, application of the share price adjustment factor is expected to result in an approximate 75% reduction in shares granted, in the first quarter of fiscal 2019.

Total expense related to other performance units for the nine months ended December 31, 2017 and 2016 was \$0.1 million and \$0.7 million, respectively. Future expense for these performance units is expected to be approximately \$0.1 million over the next three months ending March 31, 2018.

#### *Consideration Holdback*

As part of the Company's acquisition of Arbor in fiscal 2017, \$38.3 million of the acquisition consideration otherwise payable with respect to shares of restricted Arbor common stock held by certain key employees was subject to holdback by the Company pursuant to agreements with those employees (each, a "Holdback Agreement"). The consideration holdback vests in 30 equal monthly increments following the date of close, subject to the Arbor key employees' continued employment through each monthly vesting date. At each vesting date, 1/30th of the \$38.3 million holdback consideration vests and is settled in shares of Company common stock. The number of shares is based on the then-current market price of the Company common stock.

Total expense related to the Holdback Agreement for the nine months ended December 31, 2017 was approximately \$11.5 million.

#### 4. DISPOSITION:

##### Disposition of Impact email business

In fiscal 2017, the Company completed the sale of its Impact email business to Zeta Interactive for total consideration of \$22.0 million, including a \$4.0 million subordinated promissory note with interest accruing at a rate of 6.0% per annum. The note was paid in full during the quarter ended September 30, 2017. The Company also entered into a separate multi-year contract to provide Zeta Interactive with Connectivity and Audience Solutions services. Prior to the disposition, the Impact email business was included in the Marketing Services segment results. The business did not meet the requirements of a discontinued business; therefore, all financial results are included in continuing operations.

Revenue and income from operations from the disposed Impact email business are shown below (dollars in thousands):

	For the three months ended		For the nine months ended	
	December 31,		December 31,	
	2017	2016	2017	2016
Revenues	\$ —	\$ —	\$ —	\$ 20,375
Income from operations	\$ —	\$ —	\$ —	\$ 120

#### 5. OTHER CURRENT AND NONCURRENT ASSETS:

Other current assets consist of the following (dollars in thousands):

	December 31, 2017	March 31, 2017
Prepaid expenses and other	\$ 28,246	\$ 25,714
Escrow deposit	—	5,880
Note receivable	—	4,000
Assets of non-qualified retirement plan	14,111	12,716
Other current assets	\$ 42,357	\$ 48,310

Other noncurrent assets consist of the following (dollars in thousands):

	December 31, 2017	March 31, 2017
Acquired intangible assets, net	\$ 36,183	\$ 43,884
Deferred data acquisition costs	982	1,116
Other miscellaneous noncurrent assets	6,411	6,443
Noncurrent assets	\$ 43,576	\$ 51,443

#### 6. OTHER ACCRUED EXPENSES:

Other accrued expenses consist of the following (dollars in thousands):

	December 31, 2017	March 31, 2017
Accrued purchase consideration	\$ —	\$ 5,880
Liabilities of non-qualified retirement plan	14,111	12,716
Other accrued expenses	39,888	41,265
Other accrued expenses	\$ 53,999	\$ 59,861

## 7. GOODWILL:

The following table summarizes Goodwill activity, by segment, for the nine months ended December 31, 2017 (dollars in thousands):

	Marketing Services	Audience Solutions	Connectivity	Total
Balance at March 31, 2017	\$ 118,890	\$ 273,448	\$ 200,393	\$ 592,731
Arbor adjustment	—	—	(21)	(21)
Change in foreign currency translation adjustment	82	—	35	117
Balance at December 31, 2017	\$ 118,972	\$ 273,448	\$ 200,407	\$ 592,827

Goodwill by component included in each segment as of December 31, 2017 was:

	Marketing Services	Audience Solutions	Connectivity	Total
U.S.	\$ 110,910	\$ 273,448	\$ 196,812	\$ 581,170
APAC	8,062	—	3,595	11,657
Balance at December 31, 2017	\$ 118,972	\$ 273,448	\$ 200,407	\$ 592,827

## 8. LONG-TERM DEBT:

Long-term debt consists of the following (dollars in thousands):

	December 31, 2017	March 31, 2017
Term loan credit agreement	\$ —	\$ 155,000
Revolving credit borrowings	230,000	70,000
Other debt	3,881	5,612
Total long-term debt	233,881	230,612
Less current installments	1,837	39,819
Less deferred debt financing costs	4,101	1,552
Long-term debt, excluding current installments and deferred debt financing costs	\$ 227,943	\$ 189,241

On June 20, 2017, the Company entered into a Sixth Amended and Restated Credit Agreement (the "restated credit agreement") as part of refinancing its prior credit agreement. On that day, the Company used an initial draw of \$230 million to pay off the outstanding \$225 million term and revolving loan balances, with interest, along with \$4.0 million in fees related to the restated credit agreement. The fees are being amortized over the term of the agreement.

The Company's restated credit agreement provides for (1) revolving credit facility borrowings consisting of revolving loans, letters of credit participation, and swing-line loans (the "revolving loans") in an aggregate amount of \$600 million and (2) a provision allowing the Company to request an increase of the aggregate amount of the revolving loans in an amount not to exceed \$150 million. The restated credit agreement is secured by the accounts receivable of the Company and its domestic subsidiaries, as well as by the outstanding stock of certain subsidiaries of the Company. The restated credit agreement contains customary representations, warranties, affirmative and negative covenants, and default and acceleration provisions. The restated credit agreement matures, and is fully due and payable, on June 20, 2022 and allows for prepayments before maturity.

The revolving loan borrowings bear interest at LIBOR or at an alternative base rate plus a credit spread. At December 31, 2017, the revolving loan borrowing bears interest at LIBOR plus a credit spread of 2%. The weighted-average interest rate on revolving credit borrowings at December 31, 2017 was 3.6%. There were no material outstanding letters of credit at December 31, 2017 or March 31, 2017.

Under the terms of the restated credit agreement, the Company is required to maintain certain debt-to-cash flow and interest coverage ratios, among other restrictions. At December 31, 2017, the Company was in compliance with these covenants and restrictions.

#### 9. ALLOWANCE FOR DOUBTFUL ACCOUNTS:

Trade accounts receivable are presented net of allowances for doubtful accounts, returns and credits of \$6.3 million at December 31, 2017 and \$6.1 million at March 31, 2017.

#### 10. SEGMENT INFORMATION:

The Company reports segment information consistent with the way management internally disaggregates its operations to assess performance and to allocate resources.

Revenues and cost of revenue are generally directly attributed to the segments. Certain revenue contracts are allocated among the segments based on the relative value of the underlying products and services. Cost of revenue, excluding non-cash stock compensation expense and purchased intangible asset amortization, is directly charged in most cases and allocated in certain cases based upon proportional usage.

Operating expenses, excluding non-cash stock compensation expense and purchased intangible asset amortization, are attributed to the segment groups as follows:

- Research and development expenses are primarily directly recorded to each segment group based on identified products supported.
- Sales and marketing expenses are primarily directly recorded to each segment group based on products supported and sold.
- General and administrative expenses are generally not allocated to the segments unless directly attributable.
- Gains, losses and other items, net are not allocated to the segment groups.

We do not track our assets by operating segments. Consequently, it is not practical to show assets by operating segment.

The following table presents information by business segment (dollars in thousands):

	For the three months ended		For the nine months ended	
	December 31,		December 31,	
	2017	2016	2017	2016
<b>Revenues:</b>				
Marketing Services	\$ 94,457	\$ 101,177	\$ 280,093	\$ 316,571
Audience Solutions	84,436	83,399	238,984	235,669
Connectivity	55,978	38,736	153,548	103,140
Total segment revenues	<u>\$ 234,871</u>	<u>\$ 223,312</u>	<u>\$ 672,625</u>	<u>\$ 655,380</u>
<b>Gross profit<sup>(1)</sup>:</b>				
Marketing Services	\$ 35,798	\$ 37,494	\$ 101,476	\$ 109,440
Audience Solutions	52,821	53,120	148,352	143,030
Connectivity	37,914	23,091	100,730	60,509
Total segment gross profit	<u>\$ 126,533</u>	<u>\$ 113,705</u>	<u>\$ 350,558</u>	<u>\$ 312,979</u>
<b>Income from operations<sup>(1)</sup>:</b>				
Marketing Services	\$ 22,063	\$ 21,127	\$ 63,721	\$ 61,109
Audience Solutions	33,112	34,572	91,151	89,640
Connectivity	6,808	1,877	12,475	3,831
Total segment income from operations	<u>\$ 61,983</u>	<u>\$ 57,576</u>	<u>\$ 167,347</u>	<u>\$ 154,580</u>

<sup>(1)</sup> Gross profit and income from operations reflect only the direct and allocable controllable costs of each segment and do not include allocations of corporate expenses (primarily general and administrative expenses) and gains, losses, and other items, net. Additionally, segment gross profit and income from operations do not include non-cash stock compensation expense and purchased intangible asset amortization.

The following table reconciles total segment gross profit to gross profit and total operating segment income from operations to income from operations (dollars in thousands):

	For the three months ended		For the nine months ended	
	December 31,		December 31,	
	2017	2016	2017	2016
Total segment gross profit	\$ 126,533	\$ 113,705	\$ 350,558	\$ 312,979
<b>Less:</b>				
Purchased intangible asset amortization	5,971	4,621	17,958	12,588
Non-cash stock compensation	1,611	2,240	4,927	4,403
Gross profit	<u>\$ 118,951</u>	<u>\$ 106,844</u>	<u>\$ 327,673</u>	<u>\$ 295,988</u>
Total segment income from operations	\$ 61,983	\$ 57,576	\$ 167,347	\$ 154,580
<b>Less:</b>				
Corporate expenses (principally general and administrative)	23,862	24,184	75,582	75,342
Separation and transformation costs included in general and administrative	5,214	4,118	17,775	5,573
Gains, losses and other items, net	(41)	2,111	3,521	2,725
Purchased intangible asset amortization	5,971	4,621	17,958	12,588
Non-cash stock compensation	15,919	13,427	46,707	33,955
Income from operations	<u>\$ 11,058</u>	<u>\$ 9,115</u>	<u>\$ 5,804</u>	<u>\$ 24,397</u>

## 11. RESTRUCTURING, IMPAIRMENT AND OTHER CHARGES:

The following table summarizes the restructuring activity for the nine months ended December 31, 2017 (dollars in thousands):

	Associate-related reserves	Lease accruals	Total
March 31, 2017	\$ 2,400	\$ 4,308	\$ 6,708
Restructuring charges and adjustments	1,476	2,068	3,544
Payments	(2,842)	(1,187)	(4,029)
December 31, 2017	<u>\$ 1,034</u>	<u>\$ 5,189</u>	<u>\$ 6,223</u>

The above balances are included in other accrued expenses and other liabilities on the condensed consolidated balance sheet.

### Restructuring Plans

In the nine months ended December 31, 2017, the Company recorded a total of \$3.5 million in restructuring charges and adjustments included in gains, losses and other items, net in the condensed consolidated statement of operations. The expense included severance and other associate-related charges of \$1.5 million, lease accruals and adjustments of \$1.0 million, and leasehold improvement write-offs of \$1.1 million.

The associate-related accruals of \$1.5 million relate to the termination of associates in the United States. Of the amount accrued, \$0.3 million remained accrued as of December 31, 2017. These costs are expected to be paid out in fiscal 2018.

The lease accruals and adjustments of \$1.0 million result from the Company's exit from certain leased office facilities. Of the amount accrued, together with the deferred rent credits of \$1.4 million related to the space, \$2.1 million remained accrued as of December 31, 2017.

In fiscal 2017, the Company recorded a total of \$8.9 million in restructuring charges and adjustments included in gains, losses and other items, net in the condensed consolidated statement of operations. The expense included severance and other associate-related charges of \$3.8 million, lease accruals and adjustments of \$3.0 million, and leasehold improvement write-offs of \$2.1 million. Of the associate-related accruals of \$3.8 million, \$0.2 million remained accrued as of December 31, 2017. These costs are expected to be paid out in fiscal 2018. The lease accruals and adjustments of \$3.0 million resulted from the Company's exit from certain leased office facilities (\$1.5 million) and adjustments to estimates related to the fiscal 2015 lease accruals (\$1.5 million). Of the amount accrued for fiscal 2017 lease accruals, \$2.3 million remained accrued as of December 31, 2017.

In fiscal 2016, the Company recorded a total of \$12.0 million in restructuring charges and adjustments included in gains, losses and other items, net in the condensed consolidated statement of operations. The expense included severance and other associate-related charges of \$8.6 million, lease termination charges and accruals of \$3.0 million, and leasehold improvement write-offs of \$0.4 million. Of the associate-related accruals of \$8.6 million, \$0.2 million remained accrued as of December 31, 2017. These amounts are expected to be paid out in fiscal 2018. The lease termination charges and accruals of \$3.0 million were fully paid during fiscal 2016.

In fiscal 2015, the Company recorded a total of \$21.8 million in restructuring charges and adjustments included in gains, losses and other items, net in the condensed consolidated statement of operations. The expense included severance and other associate-related charges of \$13.3 million, lease accruals of \$6.5 million, and the write-off of leasehold improvements of \$2.0 million. Of the associate-related accruals of \$13.3 million, \$0.3 million remained accrued as of December 31, 2017. These amounts are expected to be paid out in fiscal 2018. Of the lease accruals of \$6.5 million, \$0.8 million remained accrued as of December 31, 2017.

With respect to the fiscal 2015, 2017, and 2018 lease accruals described above, the Company intends to sublease the facilities to the extent possible. The liabilities will be satisfied over the remainder of the leased properties' terms, which continue through November 2025. Actual sublease receipts may differ from the estimates originally made by

the Company. Any future changes in the estimates or in the actual sublease income could require future adjustments to the liabilities, which would impact net earnings (loss) in the period the adjustment is recorded.

### Gains, Losses and Other Items

Gains, losses and other items for each of the periods presented are as follows (dollars in thousands):

	For the three months ended		For the nine months ended	
	December 31,		December 31,	
	2017	2016	2017	2016
Restructuring plan charges and adjustments	\$ (18)	\$ 899	\$ 3,545	\$ 2,107
Gain on disposition of Impact email business	—	(155)	—	(784)
Arbor and Circulate acquisition-related costs	—	1,365	—	1,365
Other	(23)	2	(24)	36
	<u>\$ (41)</u>	<u>\$ 2,111</u>	<u>\$ 3,521</u>	<u>\$ 2,724</u>

## 12. COMMITMENTS AND CONTINGENCIES:

### Legal Matters

The Company is involved in various claims and legal proceedings. Management routinely assesses the likelihood of adverse judgments or outcomes to these matters, as well as ranges of probable losses, to the extent losses are reasonably estimable. The Company records accruals for these matters to the extent that management concludes a loss is probable and the financial impact, should an adverse outcome occur, is reasonably estimable. These accruals are reflected in the Company's condensed consolidated financial statements. In management's opinion, the Company has made appropriate and adequate accruals for these matters, and management believes the probability of a material loss beyond the amounts accrued to be remote. However, the ultimate liability for these matters is uncertain, and if accruals are not adequate, an adverse outcome could have a material effect on the Company's consolidated financial condition or results of operations. The Company maintains insurance coverage above certain limits. There are currently no matters pending against the Company or its subsidiaries for which the potential exposure is considered material to the Company's condensed consolidated financial statements.

### Commitments

The Company leases data processing equipment, office furniture and equipment, land and office space under noncancellable operating leases. The Company has a future commitment for lease payments over the next 23 years of \$84.5 million.

In connection with the Impact email disposition during fiscal 2017, the Company assigned a facility lease to the buyer of the business. The Company guaranteed the facility lease as required by the asset disposition agreement. Should the assignee default, the Company would be required to perform under the terms of the facility lease, which continues through September 2021. At December 31, 2017, the Company's maximum potential future rent payments under this guarantee totaled \$2.3 million.

## 13. INCOME TAX:

On December 22, 2017, the United States ("U.S.") enacted significant changes to U.S. tax law following the passage of H.R.1, "An Act to Provide for Reconciliation Pursuant to Titles II and V of the Concurrent Resolution on the Budget for Fiscal Year 2018" (the "Tax Act") (previously known as "The Tax Cuts and Jobs Act"). The Tax Act included significant changes to existing tax law, including a permanent reduction to the U.S. federal corporate income tax rate from 35% to 21%, a one-time repatriation tax on deferred foreign income ("Transition Tax"), and numerous other changes to business-related deductions.

The permanent reduction to the U.S. federal corporate income tax rate from 35% to 21% is effective January 1, 2018 (the "Effective Date"). Because the Effective Date does not fall on the first day of our fiscal year, we are required to apply a blended tax rate for the entire fiscal year by applying a prorated percentage of the number of

days before and after the Effective Date. As a result of the Tax Act, we have determined that our U.S. federal statutory corporate income tax rate will be 31.5% for the fiscal year ending March 31, 2018.

We recorded a \$20.3 million benefit for the remeasurement of net deferred tax liabilities, which was included in income tax expense (benefit) in the Company's Condensed Consolidated Statements of Operations. We remeasured our deferred taxes to reflect the reduced Federal tax rate that will apply when these deferred taxes are settled or realized in future periods. To calculate the remeasurement of deferred taxes we estimated the periods during which the existing deferred taxes will be settled or realized. The remeasurement of deferred taxes included in our condensed consolidated financial statements will be subject to further revisions if our current estimates are different from our actual future operating results.

Given the Company's aggregate deficit related to foreign earnings and profits, we have determined that the Company will not incur a Transition Tax liability.

On December 22, 2017, the SEC issued Staff Accounting Bulletin 118 ("SAB 118") which provides guidance on accounting for the tax effects of the Tax Act. The SEC staff (the "Staff") recognized that a registrant's review of certain income tax effects of the Tax Act may be incomplete at the time financial statements are issued for the reporting period that includes the enactment date, including interim periods therein. If a company does not have the necessary information available, prepared or analyzed for certain income tax effects of the Tax Act, SAB 118 allows a company to report provisional numbers and adjust those amounts during the measurement period not to extend beyond one year. The adjustments to net deferred tax liabilities are provisional amounts estimated based on information available as of December 31, 2017. These amounts are subject to change as we obtain information necessary to complete the calculations. We will recognize any changes to the provisional amounts as we refine our estimates of the cumulative temporary differences, including those related to immediate deduction for qualified property, and our interpretations of the application of the Tax Act.

We continue to review the anticipated impacts of the global intangible low taxed income ("GILTI") and base erosion anti-abuse tax ("BEAT") on the Company, which are not effective until fiscal year 2019. The Company has not recorded any impact associated with either GILTI or BEAT in the tax rate for the third quarter of fiscal year 2018.

Within the calculation of its annual effective tax rate the Company has used assumptions and estimates that may change as a result of future guidance, interpretation, and rule-making from the Internal Revenue Service, the SEC, and the FASB and/or various other taxing jurisdictions. For example, the Company anticipates that the U.S. state jurisdictions will continue to determine and announce their conformity to the Tax Act, which could have an impact on the annual effective tax rate.

In determining the quarterly provision for income taxes, the Company makes its best estimate of the effective income tax rate expected to be applicable for the full fiscal year. The estimated effective income tax rate for the current fiscal year is impacted by nondeductible stock-based compensation, state income taxes, research tax credits, and losses in foreign jurisdictions. State income taxes are influenced by the geographic and legal entity mix of the Company's U.S. income as well as the diversity of rules among the states. The Company does not record a tax benefit for certain foreign losses due to uncertainty of future utilization.

As a result of adopting ASU 2016-09 during the first quarter of the current fiscal year, all excess tax benefits and deficiencies from stock-based compensation are recognized as income tax benefit and expense in the Company's Condensed Consolidated Statement of Operations in the reporting period in which they occur. For the three months and nine months ended December 31, 2017, the Company recognized discrete income tax expense of \$0.1 million and benefit of \$1.9 million, respectively, related to net excess tax benefits and deficiencies.

#### 14. FAIR VALUE OF FINANCIAL INSTRUMENTS:

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Cash and cash equivalents, trade receivables, unbilled and notes receivable, short-term borrowings and trade payables - The carrying amount approximates fair value because of the short maturity of these instruments.

Long-term debt - The interest rate on the revolving credit agreement is adjusted for changes in market rates and therefore the carrying value approximates fair value. The estimated fair value of other long-term debt was



determined based upon the present value of the expected cash flows considering expected maturities and using interest rates currently available to the Company for long-term borrowings with similar terms. At December 31, 2017, the estimated fair value of long-term debt approximates its carrying value.

Under applicable accounting standards financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurements. The Company assigned assets and liabilities to the hierarchy in the accounting standards, which is Level 1 - quoted prices in active markets for identical assets or liabilities, Level 2 - significant other observable inputs and Level 3 - significant unobservable inputs.

The following table presents the balances of assets measured at fair value as of December 31, 2017 (dollars in thousands):

	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Other current assets	\$ 14,111	\$ —	\$ —	\$ 14,111
<b>Total assets</b>	<b>\$ 14,111</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 14,111</b>

## Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

We begin Management’s Discussion and Analysis of Financial Condition and Results of Operations with an overview of our operating segments, summary financial results and notable events. This overview is followed by a summary of our critical accounting policies and estimates that we believe are important to understanding the assumptions and judgments incorporated in our reported financial results. We then provide a more detailed analysis of our results of operations and financial condition.

### Introduction and Overview

Axiom Corporation is a global technology and enablement services company with a vision to transform data into value for everyone. Through a simple, open approach to connecting systems and data, we provide the data foundation for the world’s best marketers. By making it safe and easy to activate, validate, enhance, and unify data, we provide marketers with the ability to deliver relevant messages at scale and tie those messages back to actual results. Our products and services enable people-based marketing, allowing our clients to generate higher return on investment and drive better omnichannel customer experiences.

Axiom is a Delaware corporation founded in 1969 in Conway, Arkansas. Our common stock is listed on the NASDAQ Global Select Market under the symbol “ACXM.” We serve a global client base from locations in the United States, Europe, and the Asia-Pacific (“APAC”) region. Our client list includes many of the world’s largest and best-known brands across most major industry verticals, including but not limited to financial, insurance and investment services, automotive, retail, telecommunications, high tech, healthcare, travel, entertainment, non-profit, and government.

### Operating Segments

Our operating segments provide management with a comprehensive view of our key businesses based on how we manage our operations and measure results. Additional information related to our operating segments and geographic information is contained in Note 10 - Segment Information of the Notes to Condensed Consolidated Financial Statements.

### Connectivity

As shown in the illustration below, our Connectivity segment enables our clients to build an omnichannel view of the consumer and activate that understanding across the marketing ecosystem.



Through integrations with more than 550 leading digital marketing platforms and data providers, we have become a key point of entry into the digital ecosystem, helping our clients eliminate data silos and unlock greater value from the marketing tools they use every day. We provide a foundational identity resolution layer enabling our clients to identify and reach consumers across channels and measure the impact of marketing on sales, using the marketing platform of their choice.

Today, our primary Connectivity offering is LiveRamp IdentityLink, an identity resolution service that ties data back to real people and makes it possible to onboard that data for people-based marketing initiatives across digital channels. Leveraging AbiliTec and the LiveRamp identity graph, IdentityLink first resolves a client’s first-, second-,

and third-party exposure, and transaction data to persistent anonymous consumer identifiers that represent real people in a privacy-safe way. This omnichannel view of the consumer can then be onboarded to and between any of the 550 plus partners in our ecosystem to support targeting, personalization and measurement use cases.

### Targeting



### Personalization



### Measurement



#### Example

Clients can upload known data from first-, second-, and third-party data sources, resolve it to an omnichannel privacy-safe link with IdentityLink, then onboard to one of 550+ LiveRamp partners to deploy targeted ads to known customers.

#### Example

Clients can deliver highly relevant content the moment viewers visit their website landing page, no login required. Leveraging IdentityLink, clients can resolve customer segment data to devices and digital IDs, onboard that data to a personalization platform and provide one-to-one experiences without compromising user privacy.

#### Example

Clients can connect exposure data with first- and third-party purchase data across channels by resolving all customer devices back to the customers to which they belong. Then, clients can onboard that data to a measurement platform to clearly establish cause, effect and impact.

IdentityLink operates in an Acxiom SafeHaven® certified environment with technical, operational, and personnel controls designed to ensure our clients' data is kept private and secure.

IdentityLink is sold to brands and the companies brands partner to execute their marketing, including marketing technology providers, data providers, publishers and agencies.

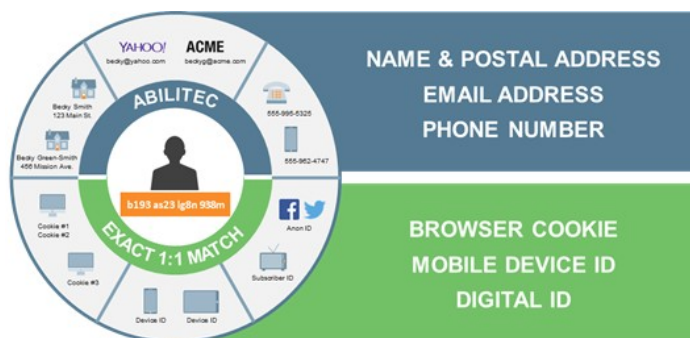
- **IdentityLink for Brands and Agencies.** IdentityLink allows brands and their agencies to execute people-based marketing by creating an omnichannel understanding of the consumer and activating that understanding across their choice of best-of-breed digital marketing platforms.
- **IdentityLink for Marketing Technology Providers.** IdentityLink provides marketing technology providers with the ability to offer people-based targeting, measurement and personalization within their platforms. This adds value for brands by increasing reach, as well as the speed at which they can activate their marketing data.
- **IdentityLink for Data Owners.** IdentityLink allows data owners to easily connect their data to the digital ecosystem and better monetize it. Data can be distributed directly to clients or made available through the **IdentityLink Data Store** feature. This adds value for brands as it allows them to augment their understanding of consumers, and increase both their reach to and understanding of customers and prospects.
- **IdentityLink for Publishers.** IdentityLink allows publishers to offer people-based marketing on their properties. This adds value for brands by providing direct access to their customers and prospects in the publisher's premium inventory.

Our Connectivity revenue consists primarily of monthly recurring subscription fees sold on an annual basis. To a lesser extent, we generate revenue from data providers and certain digital publishers in the form of revenue-sharing agreements.

## Audience Solutions (“AS”)

Our AS segment helps clients validate the accuracy of their data, enhance it with additional insight, and keep it up to date, enabling clients to reach desired audiences with highly relevant messages. Leveraging our recognition and data assets, clients can identify, segment, and differentiate their audiences for more effective marketing and superior customer experiences. AS offerings include InfoBase, our large consumer data store that serves as the basis for Acxiom’s consumer demographics products, and AbiliTec, our patented identity resolution technology that assists our clients in reconciling and managing variations of customer identity over time and across multiple channels.

- **InfoBase.** With more than 1,500 demographic, socio-economic and lifestyle data elements and several thousand predictive models, our InfoBase products provide marketers with the ability to identify and reach the right audience with the right message across both traditional and digital channels. Through partnerships with over 100 online publishers and digital marketing platforms, including Facebook, Google, Twitter, 4INFO, AOL, eBay and MSN, marketers can use InfoBase data to create and target specific audiences. Data can be accessed directly or through the Acxiom Audience Cloud, a web-based, self-service tool that makes it easy to build and distribute third-party custom data segments.
- **AbiliTec.** As shown in the illustration below, AbiliTec helps brands recognize individuals and households using a number of different input variables and connects identities online and offline.



By identifying and linking multiple identifiers and data elements back to a persistent ID, our clients are able to create a single view of the customer, which allows them to perform more effective audience targeting and deliver better, more relevant customer experiences.

Our AS revenue includes licensing fees, which are typically in the form of recurring monthly billings, as well as transactional revenue based on volume or one-time usage. In addition, AS generates digital data revenue from certain digital publishers and addressable television providers in the form of revenue sharing agreements. Our Marketing Database clients are a significant channel for our AS offerings.

## Marketing Services (“MS”)

Our MS segment helps clients unify data at the individual level in a privacy-safe environment, so they can execute people-based marketing campaigns, tie back to real results, and drive a continual cycle of optimization. We help architect the foundation for data-driven marketing by delivering solutions that integrate customer and prospect data across the enterprise, thereby enabling our clients to establish a single view of the customer. We also support our clients in navigating the complexities of consumer privacy regulation, making it easy and safe for them to use innovative technology, maintain choice in channels and media, and stay agile in this competitive era of the consumer. These services allow our clients to generate higher return on marketing investments and, at the same time, drive better, more relevant customer experiences.

The MS segment includes the following service offerings: Marketing Database Services and Strategy and Analytics. The MS segment also included Impact Email Platform and Services until the disposition of the business in August 2016.

- **Marketing Database Services.** Our Marketing Database offering provides solutions that unify consumer data across an enterprise, enabling clients to execute relevant, people-based marketing and activate data across the marketing ecosystem. Our consumer marketing databases, which we design, build, and manage for our clients, make it possible for our clients to collect and analyze information from all sources, thereby increasing customer acquisition, retention, and loyalty. Through our growing partner network, clients are able to integrate their data with best-of-breed marketing solutions while respecting and protecting consumer privacy.

Marketing Database Services are generally provided under long-term contracts. Our revenue consists primarily of recurring monthly billings, and to a lesser extent, other volume and variable based billings.

- **Strategy and Analytics.** Our Strategy and Analytics offering consists of marketing strategists and data scientists who leverage industry knowledge and advanced analytics to assist our clients with identifying growth opportunities, addressing marketing data and technology needs, and adopting best practices. In addition, we help our clients identify and address their data privacy and governance requirements.

Strategy and Analytics revenue consists primarily of project-based fees.

- **Impact Email Platform and Services.** Until the August 2016 disposition, Acxiom Impact™ provided email and cross-channel data-driven marketing solutions for enterprise marketers, including a proprietary marketing platform and agency services.

Acxiom Impact™ revenue consisted of (1) volume-based fees for the use of the Impact email platform and (2) project-based and retainer-based fees for associated agency services.

## **Summary**

Together, our products and services form the “power grid” for data, the critical foundation for people-based marketing that brands need to engage consumers across today’s highly fragmented landscape of channels and devices.

We provide integrations with the largest number of marketing platforms and data providers in the digital marketing ecosystem, enabling our clients to innovate through their preferred choice of technology, data, and services providers. Our industry-leading identity resolution and data assets power best-in-class consumer identification and linking across channels and devices. And, our integrated services offering provides the expertise required to manage large sets of data legally, ethically, securely, and in a way that protects consumer privacy.

## **Summary Results and Notable Events**

A summary of the quarter ended December 31, 2017 is presented below:

- Revenues were \$234.9 million, a 5.2% increase from \$223.3 million in the same quarter a year ago.
- Cost of revenue was \$115.9 million, a 0.5% decrease from \$116.5 million in the same quarter a year ago.
- Gross margin increased to 50.6% from 47.8% in the same quarter a year ago.
- Total operating expenses were \$107.9 million, a 10.4% increase from \$97.7 million in the same quarter a year ago.
- Cost of revenue and operating expenses for the quarters ended December 31, 2017 and 2016 include the following items:
  - Non-cash stock compensation of \$15.9 million and \$13.4 million, respectively (cost of revenue and operating expenses)
  - Purchased intangible asset amortization of \$6.0 million and \$4.6 million, respectively (cost of revenue)
  - Separation and transformation costs of \$5.2 million and \$4.1 million, respectively (operating expenses)
  - Restructuring charges and other adjustments of \$0.0 million and \$2.1 million, respectively (operating expenses)
- Net earnings increased to \$22.9 million or \$0.28 per diluted share compared to net earnings of \$1.1 million or \$0.01 per diluted share in the same quarter a year ago. The increase is primarily due to recent changes as a result of the Tax Act, including a \$20.3 million one-time benefit for the remeasurement of net deferred tax liabilities.
- Net cash provided by operating activities of \$43.6 million, a \$5.3 million decrease compared to \$48.9 million in the same quarter a year ago.
- The Company repurchased 0.7 million shares of its common stock for \$19.7 million under the Company's common stock repurchase program.

This summary highlights financial results as well as other significant events and transactions of the Company during the quarter ended December 31, 2017. However, this summary is not intended to be a full discussion of the Company's results. This summary should be read in conjunction with the following discussion of Results of Operations and Capital Resources and Liquidity and with the Company's condensed consolidated financial statements and footnotes accompanying this report.

## Results of Operations

A summary of selected financial information for each of the periods reported is presented below (dollars in thousands, except per share amounts):

	For the three months ended			For the nine months ended		
	December 31,			December 31,		
	2017	2016	% Change	2017	2016	% Change
Revenues	\$ 234,871	\$ 223,312	5	\$ 672,625	\$ 655,380	3
Cost of revenue	115,920	116,468	(1)	344,952	359,392	(4)
Gross profit	118,951	106,844	11	327,673	295,988	11
Total operating expenses	107,893	97,729	10	321,869	271,591	19
Income from operations	11,058	9,115	21	5,804	24,397	(76)
Net earnings	22,941	1,073	2,038	18,305	12,189	50
Diluted earnings per share	\$ 0.28	\$ 0.01	2,700	\$ 0.22	\$ 0.15	47

### Revenues

The Company's revenues by reporting segment for the periods reported is presented below (dollars in thousands):

	For the three months ended			For the nine months ended		
	December 31,			December 31,		
	2017	2016	% Change	2017	2016	% Change
Revenues						
Marketing Services	\$ 94,457	\$ 101,177	(7)	\$ 280,093	\$ 316,571	(12)
Audience Solutions	84,436	83,399	1	238,984	235,669	1
Connectivity	55,978	38,736	45	153,548	103,140	49
Total revenues	\$ 234,871	\$ 223,312	5	\$ 672,625	\$ 655,380	3

Total revenues were \$234.9 million, an increase of 5.2%, or \$11.6 million, from \$223.3 million in the same quarter a year ago. Strong revenue growth in Connectivity (\$17.2 million) was partially offset by a decline in MS of \$6.7 million due to non-recurring transactions in the prior year of \$4.8 million as well as volume and contract reductions. The impact of exchange rates was positive by approximately \$1.5 million.

Total revenues were \$672.6 million, an increase of 2.6%, or \$17.2 million for the nine months ended December 31, 2017. Strong revenue growth in Connectivity (\$50.4 million) was partially offset by items totaling \$22.8 million: the disposition of the Acxiom Impact business (\$20.4 million) and the transition of the Australia operations to a Connectivity focused business (\$2.4 million reduction in MS and AS).

MS revenue for the quarter ended December 31, 2017 was \$94.5 million, a \$6.7 million, or 6.6%, decrease compared to the same quarter a year ago. On a geographic basis, U.S. MS revenue decreased \$5.3 million, or 5.7%, due to non-recurring transactions in the prior year of \$4.8 million and volume and contract reductions. International MS revenue decreased \$1.4 million, or 16.8%. By line of business, Marketing Database revenue decreased \$6.8 million (U.S. \$4.5 million, Europe \$1.1 million and APAC \$0.6 million), while Strategy and Analytics was flat quarter over quarter.

MS revenue for the nine months ended December 31, 2017 was \$280.1 million, a \$36.5 million, or 11.5%, decrease compared to the same period a year ago. On a geographic basis, U.S. MS revenue decreased \$33.8 million, or 11.5%, due to the sale of Acxiom Impact (\$20.4 million) and other volume and contract reductions. International MS revenue decreased \$2.7 million, or 11.4%. By line of business, Marketing Database revenue decreased \$13.3 million (U.S. \$9.9 million, Europe \$2.7 million and APAC \$0.7 million), Strategy and Analytics revenue declined \$2.6 million (primarily U.S.) and Impact declined due to the sale of Acxiom Impact.

AS revenue for the quarter ended December 31, 2017 was \$84.4 million, a \$1.0 million, or 1.2%, increase compared to the same quarter a year ago. On a geographic basis, U.S. AS revenue increased \$0.2 million, or 0.2%,

due to increases of \$1.3 million in Consumer Data and Recognition, offset by a reduction in Digital Data business. International AS revenue increased \$0.9 million, or 9.4%, primarily from Europe Digital Data. By line of business, AS revenue growth in Recognition (\$1.2 million) and Global Data Sales (\$1.1 million) was offset by a reduction in Digital Data (\$1.2 million) through our publisher and digital partner network. As the Digital Data business model evolves, some revenue sharing arrangements will convert to license arrangements and certain publishers will decide to seek alternative data relationships. In fact, one significant publisher relationship recently converted to a license-based arrangement. As a result, we would expect more significant revenue declines in our fiscal 2018 fourth quarter. These trends may continue into fiscal 2019.

AS revenue for the nine months ended December 31, 2017 was \$239.0 million, a \$3.3 million, or 1.4%, increase compared to the same period a year ago. On a geographic basis, U.S. AS revenue increased \$2.3 million, or 1.1%, due to an increase of \$8.3 million in Digital Data business offset by decreases in Consumer Data and Recognition. International AS revenue increased \$1.1 million, or 4.3%, primarily in Europe. By line of business, AS revenue growth in Digital Data (\$11.7 million), through our publisher and digital partner network, was offset by declines in Consumer Data (\$8.9 million) and Recognition (\$1.6 million). As the Digital Data business model evolves, some revenue sharing arrangements will convert to license arrangements and certain publishers will decide to seek alternative data relationships.

Connectivity revenue for the quarter ended December 31, 2017 was \$56.0 million, a \$17.2 million, or 44.5%, increase compared to the same quarter a year ago. The increase was due to LiveRamp growth. On a geographic basis, U.S. Connectivity revenue increased \$14.6 million, or 40.4%, from the same quarter a year ago. International Connectivity revenue increased \$2.6 million, or 100.2%.

Connectivity revenue for the nine months ended December 31, 2017 was \$153.5 million, a \$50.4 million, or 48.9%, increase compared to the same period a year ago. The increase was due to LiveRamp growth. On a geographic basis, U.S. Connectivity revenue increased \$44.7 million, or 46.7%, from the same period a year ago. International Connectivity revenue increased \$5.7 million, or 76.6%.

#### Cost of revenue and Gross profit

The Company's cost of revenue and gross profit for each of the periods reported is presented below (dollars in thousands):

	For the three months ended			For the nine months ended		
	December 31,			December 31,		
	2017	2016	% Change	2017	2016	% Change
Cost of revenue	\$ 115,920	\$ 116,468	(1)	\$ 344,952	\$ 359,392	(4)
Gross profit	\$ 118,951	\$ 106,844	11	\$ 327,673	\$ 295,988	11
Gross margin %	50.6	47.8	6	48.7	45.2	8

Cost of revenue: Includes all direct costs of sales such as data and other third-party costs directly associated with revenue. Cost of revenue also includes expenses for each of the Company's operations functions including client services, account management, agency, strategy and analytics, IT, data acquisition, and product operations. Finally, cost of revenue includes amortization of internally developed software and other acquisition related intangibles.

Cost of revenue was \$115.9 million for the quarter ended December 31, 2017, a \$0.5 million, or 0.5%, decrease from the same quarter a year ago. Gross margins increased to 50.6% compared to 47.8% in the prior year. The gross margin increase is due to the Connectivity revenue increases and MS cost efficiencies. U.S. gross margins increased to 51.7% in the current year from 49.0% in the prior year again due to the Connectivity revenue growth and MS efficiencies. International gross margins increased to 40.3% from 35.8%.

Cost of revenue was \$345.0 million for the nine months ended December 31, 2017, a \$14.4 million, or 4.0%, decrease from the same period a year ago, due primarily to the disposition of Acxiom Impact (\$18.2 million). Gross margins increased to 48.7% compared to 45.2% in the prior year. The gross margin increase is due to the Connectivity revenue increases and MS cost efficiencies. U.S. gross margins increased to 50.0% in the current year from 46.3% for the same reasons. International gross margins increased to 35.2% from 32.5%.



## Operating Expenses

The Company's operating expenses for each of the periods reported is presented below (dollars in thousands):

	For the three months ended			For the nine months ended		
	December 31,			December 31,		
	2017	2016	% Change	2017	2016	% Change
Operating expenses						
Research and development	\$ 23,318	\$ 20,950	11	\$ 70,894	\$ 58,631	21
Sales and marketing	53,730	43,048	25	152,288	118,243	29
General and administrative	30,886	31,620	(2)	95,166	91,993	3
Gains, losses and other items, net	(41)	2,111	(102)	3,521	2,724	29
Total operating expenses	\$ 107,893	\$ 97,729	10	\$ 321,869	\$ 271,591	19

Research and development ("R&D"): Includes operating expenses for the Company's engineering and product/project management functions supporting research, new development, and related product enhancement.

R&D expenses were \$23.3 million for the quarter ended December 31, 2017, an increase of \$2.4 million, or 11.3%, compared to the same quarter a year ago, and are 9.9% of total revenues compared to 9.4% in the prior year. The increase is due primarily to non-cash stock compensation of \$0.6 million, and Connectivity and AS investments of \$1.9 million and \$0.4 million, respectively. The increase in non-cash stock compensation is largely related to the Arbor and Circulate acquisitions.

R&D expenses were \$70.9 million for the nine months ended December 31, 2017, an increase of \$12.3 million, or 20.9%, compared to the same period a year ago, and are 10.5% of total revenues compared to 8.9% in the prior year. The increase is due primarily to non-cash stock compensation of \$4.0 million, and Connectivity and AS investments of \$8.8 million and \$1.6 million, respectively, offset partially by a decrease in MS of \$2.8 million related mostly to the U.S. Impact disposition. The increase in non-cash stock compensation is largely related to the Arbor and Circulate acquisitions.

Sales and marketing ("S&M"): Includes operating expenses for the Company's sales, marketing, and product marketing functions.

S&M expenses were \$53.7 million for the quarter ended December 31, 2017, an increase of \$10.7 million, or 24.8%, compared to the same quarter a year ago, and are 22.9% of total revenues compared to 19.3% in the prior year. The increase is due primarily to non-cash stock compensation of \$3.9 million (largely related to the Arbor and Circulate acquisitions), and Connectivity investments of \$8.3 million. The increases were partially offset by a decrease in MS (\$2.5 million) due primarily to lower variable compensation.

S&M expenses were \$152.3 million for the nine months ended December 31, 2017, an increase of \$34.0 million, or 28.8%, compared to the same period a year ago, and are 22.6% of total revenues compared to 18.0% in the prior year. The increase is due primarily to non-cash stock compensation of \$11.9 million (largely related to the Arbor and Circulate acquisitions), and Connectivity investments of \$23.6 million, corporate marketing of \$4.2 million, and AS investments of \$2.2 million. The increases were partially offset by a decrease in MS (\$7.8 million) due primarily to lower variable compensation.

General and administrative (G&A): Represents operating expenses for all corporate functions, including finance, human resources, legal, corporate IT, and the corporate office.

G&A expenses were \$30.9 million for the quarter ended December 31, 2017, a decrease of \$0.7 million, or 2.3%, compared to the same quarter a year ago, and are 13.2% of total revenues compared to 14.2% in the prior year. The decrease is due primarily to a decrease in non-cash stock compensation of \$1.5 million, incentive compensation accruals, and other cost savings offset by a \$1.1 million increase in separation and transformation costs.

G&A expenses were \$95.2 million for the nine months ended December 31, 2017, an increase of \$3.2 million, or 3.4%, compared to the same period a year ago, and are 14.1% of total revenues compared to 14.0% in the prior

year. The increase is due primarily to a \$12.2 million increase in separation and transformation costs offset partially by a decrease in non-cash stock compensation of \$4.5 million, incentive compensation accruals, and other cost savings. Prior year non-cash stock compensation costs were impacted by adjustments to increase expected performance levels for certain performance based awards.

Gains, losses, and other items, net: Represents restructuring costs and other adjustments.

Gains, losses and other items, net of \$0.0 million for the quarter ended December 31, 2017 decreased \$2.2 million compared to the same quarter a year ago. Gains, losses and other items, net of \$3.5 million for the nine months ended December 31, 2017 increased \$0.8 million compared to the same period a year ago. The current year includes a \$2.1 million charge related to the restructuring of the Redwood City, California lease and \$1.5 million in severance and other associate-related charges.

#### *Income from Operations and Profit Margins*

The Company's income from operations, as well as operating margin by segment, for each of the periods reported is presented below (dollars in thousands):

	For the three months ended		For the nine months ended	
	December 31,		December 31,	
	2017	2016	2017	2016
<b>Operating income and margin:</b>				
Marketing Services	\$ 22,063	\$ 21,127	\$ 63,721	\$ 61,109
	23.4%	20.9%	22.7%	19.3%
Audience Solutions	33,112	34,572	91,151	89,640
	39.2%	41.5%	38.1%	38.0%
Connectivity	6,808	1,877	12,475	3,831
	12.2%	4.8%	8.1%	3.7%
Less:				
Corporate expenses	23,862	24,184	75,582	75,342
Purchased intangible asset amortization	5,971	4,621	17,958	12,588
Non-cash stock compensation	15,919	13,427	46,707	33,955
Restructuring charges	(41)	2,111	3,521	2,725
Separation and transformation costs	5,214	4,118	17,775	5,573
Income from operations	\$ 11,058	\$ 9,115	\$ 5,804	\$ 24,397
Total operating margin	4.7%	4.1%	0.9%	3.7%

Income from operations was \$11.1 million for the quarter ended December 31, 2017 compared to \$9.1 million for the same quarter a year ago. Operating margin was 4.7% compared to 4.1%. The increase in income from operations of \$1.9 million was due primarily to the increase in Connectivity income from operations, offset partially by increases in non-cash stock compensation, largely related to the Arbor and Circulate acquisitions, and separation and transformation costs.

Income from operations was \$5.8 million for the nine months ended December 31, 2017 compared to \$24.4 million for the same period a year ago. Operating margin was 0.9% compared to 3.7%. The decrease of \$18.6 million was due primarily to increases in non-cash stock compensation, largely related to the Arbor and Circulate acquisitions, and separation and transformation costs, offset partially by increases in operating segments' income from operations.

MS income from operations was \$22.1 million, a 23.4% margin, for the quarter ended December 31, 2017 compared to \$21.1 million, a 20.9% margin, for the same quarter a year ago. U.S. margins increased to 25.8% in the current quarter from 22.2% due to S&M cost reductions. International operating margins decreased to a negative 7.5% from 6.6% due to the revenue decrease.

MS income from operations was \$63.7 million, a 22.7% margin, for the nine months ended December 31, 2017 compared to \$61.1 million, a 19.3% margin, for the same period a year ago. U.S. margins increased to 24.9% in the

current period from 20.2% due to R&D and S&M cost reductions, including R&D reductions related to the Impact disposition. International operating margins decreased to a negative 4.2% from 8.3%.

AS income from operations was \$33.1 million, a 39.2% margin, for the quarter ended December 31, 2017 compared to \$34.6 million, a 41.5% margin, for the same quarter a year ago. U.S. margins decreased to 39.8% in the current quarter from 42.9% due to flat revenue and investments in S&M and R&D. International operating margins increased to 34.8% from 30.2%.

AS income from operations was \$91.2 million, a 38.1% margin, for the nine months ended December 31, 2017 compared to \$89.6 million, a 38.0% margin, for the same period a year ago. U.S. margins decreased to 39.6% in the current period from 39.7% due to the increase in gross profit offset by investments in S&M and R&D. International operating margins increased to 26.3% from 23.5%.

Connectivity income from operations was \$6.8 million, a 12.2% margin, for the quarter ended December 31, 2017 compared to \$1.9 million, a 4.8% margin, for the same quarter a year ago. A \$14.8 million increase in gross profit was partially offset by R&D and S&M investments.

Connectivity income from operations was \$12.5 million, an 8.1% margin, for the nine months ended December 31, 2017 compared to \$3.8 million, a 3.7% margin, for the same period a year ago. A \$40.2 million increase in gross profit was partially offset by R&D and S&M investments.

Corporate expenses were \$23.9 million for the quarter ended December 31, 2017 compared to \$24.2 million for the same quarter a year ago, and are 10.2% of total revenues compared to 10.8% in the prior year.

Corporate expenses were \$75.6 million for the nine months ended December 31, 2017 compared to \$75.3 million for the same period a year ago, and are 11.2% of total revenues compared to 11.5% in the prior year.

#### *Other Expense, Income Taxes and Other Items*

Interest expense was \$2.6 million for the quarter ended December 31, 2017 compared to \$1.7 million for the same quarter a year ago. The increase is primarily related to \$70 million of borrowings in the third quarter of fiscal year 2017 related to the Arbor and Circulate acquisitions and an increase in the average rate of approximately 96 basis points.

Interest expense was \$7.4 million for the nine months ended December 31, 2017 compared to \$5.2 million for the same period a year ago. The increase is primarily related to \$70 million of borrowings in the third quarter of fiscal year 2017 related to the Arbor and Circulate acquisitions and an increase in the average rate of approximately 81 basis points. On June 20, 2017, the Company refinanced its debt facility to consist of a \$600 million revolving credit facility, of which \$230 million was outstanding at December 31, 2017.

Other income was \$0.4 million for the quarter ended December 31, 2017 compared to \$0.0 million for the same quarter a year ago. Other expense was \$0.1 million for the nine months ended December 31, 2017 compared to other income of \$0.1 million for the same period a year ago. Other income and expense primarily consists of foreign currency transaction gains and losses in each period reported. The current year to date period includes \$0.7 million for accelerated deferred debt costs related to the debt refinancing.

Income tax benefit was \$14.0 million on pretax income of \$8.9 million for the quarter ended December 31, 2017 compared to income tax expense of \$6.3 million on pretax income of \$7.4 million for the same quarter last year. The decrease in the year-over-year effective tax rate for the quarter ended December 31, 2017 is primarily attributable to the \$20.3 million discrete benefit for the remeasurement of net deferred tax liabilities as a result of the Tax Act. In addition, the effective tax rate for the quarter ended December 31, 2017 reflects the Tax Act's permanent reduction in the U.S. federal corporate income tax rate. The effective tax rate for the current quarter was also impacted by nondeductible share-based compensation related to the Arbor and Circulate acquisitions.

Income tax benefit was \$20.0 million on pretax loss of \$1.7 million for the nine months ended December 31, 2017 compared to income tax expense of \$7.1 million on pretax income of \$19.3 million for the same period last year. The increase in the year-over-year effective tax rate for the nine months ended December 31, 2017 is primarily attributable to the \$20.3 million discrete benefit for the remeasurement of net deferred tax liabilities as a result of the Tax Act. In addition, the effective tax rate for the nine months ended December 31, 2017 reflects the Tax Act's permanent reduction in the U.S. federal corporate income tax rate. The effective tax rate for the nine months ended

December 31, 2017 was impacted by nondeductible share-based compensation related to the Arbor and Circulate acquisitions. In the nine months ended December 31, 2017, the Company also recognized tax benefits of \$1.9 million related to net excess tax benefits from share-based compensation. During the nine months ended December 31, 2016, the Company recorded a \$4.1 million income tax benefit related to the disposition of the Acxiom Impact business.

As a result of the Tax Act, we have determined that our U.S. federal statutory corporate income tax rate will be 31.5% for the fiscal year ending March 31, 2018, and we expect the U.S. federal statutory rate to be 21% for fiscal years beginning after March 31, 2018.

Over the last three quarters, Acxiom has undergone a comprehensive review of its businesses to drive cleaner lines of sight, clearer accountabilities and to maximize its strategic flexibility. Following this review, the Company intends to reorganize its business and actively explore options to further strengthen Acxiom Marketing Solutions, a business unit combining MS and lines of business from AS, and deliver greater value to its clients. These options may include a strategic partnership, acquisition, tax-free merger, joint venture, tax-free spin-off, sale or other potential strategic combinations.

## **Capital Resources and Liquidity**

### *Working Capital and Cash Flow*

Working capital at December 31, 2017 totaled \$209.4 million, a \$71.0 million increase when compared to \$138.3 million at March 31, 2017, due primarily to the debt refinancing, as the amended credit agreement does not require periodic principal debt service, and a decrease in accrued payroll.

The Company's cash is primarily located in the United States. Approximately \$18.3 million of the total cash balance of \$177.8 million, or approximately 10.3%, is located outside of the United States. The Company has no current plans to repatriate this cash to the United States.

Accounts receivable days sales outstanding was 61 days at December 31, 2017 compared to 57 days at March 31, 2017, and is calculated as follows (dollars in thousands):

	<b>December 31, 2017</b>	<b>March 31, 2017</b>
Numerator – trade accounts receivable, net	\$ 155,634	\$ 142,768
Denominator:		
Quarter revenue	234,871	224,867
Number of days in quarter	92	90
Average daily revenue	\$ 2,553	\$ 2,499
Days sales outstanding	<u>61</u>	<u>57</u>

Net cash provided by operating activities was \$76.4 million for the nine months ended December 31, 2017, compared to \$85.2 million in the same period a year ago. The \$8.8 million decrease resulted primarily from unfavorable changes in working capital.

Investing activities used cash of \$34.9 million during the nine months ended December 31, 2017 compared to \$162.1 million in the same period a year ago, due primarily to the \$137.4 million of net cash paid in the Arbor and Circulate acquisitions in the prior year. Investing activities also consisted of capital expenditures (\$27.0 million compared to \$30.1 million in the prior period), capitalization of software (\$10.3 million compared to \$11.2 million in the prior period), net cash received in the disposition of the U.S. Impact business (\$4.0 million compared to \$17.0 million in the prior period), and \$1.0 million in the current year for a long-term investment.

Financing activities used cash of \$35.1 million during the nine months ended December 31, 2017 compared to cash provided of \$26.7 million in the same period a year ago. Proceeds from the debt refinancing of \$230.0 million were used to pay off the outstanding \$225 million term and revolving loan balances, with interest, along with \$4.0 million in fees related to the restated credit agreement. Other financing activities consisted of treasury stock purchases of \$39.4 million (1.6 million shares of the Company's common stock pursuant to the board of directors' approved stock repurchase plan) compared to \$30.5 million in the prior period (1.3 million shares). Financing activities in the prior year included proceeds from debt of \$70.0 million to partially fund the Arbor and Circulate acquisitions.

On August 29, 2011, the board of directors adopted a common stock repurchase program. That program was subsequently modified and expanded, most recently on July 28, 2016 (see Note 2 - Earnings Per Share). Under the modified common stock repurchase program, the Company may purchase up to \$400.0 million of its common stock through the period ending June 30, 2018. During the nine months ended December 31, 2017, the Company repurchased 1.6 million shares of its common stock for \$39.4 million. Through December 31, 2017, the Company had repurchased a total of 18.4 million shares of its stock for \$325.2 million, leaving remaining capacity of \$74.8 million under the stock repurchase program.

#### *Credit and Debt Facilities*

See Note 8 "Long-Term Debt" of the Notes to Condensed Consolidated Financial Statements for further details related to the Company's amended and restated credit agreement.

Based on our current expectations, we believe our liquidity and capital resources will be sufficient to operate our business. However, we may take advantage of opportunities to generate additional liquidity or refinance existing debt through capital market transactions. The amount, nature, and timing of any capital market transactions will depend on our operating performance and other circumstances; our then-current commitments and obligations; the amount, nature, and timing of our capital requirements; any limitations imposed by our current credit arrangements; and overall market conditions.

#### **Off-Balance Sheet Items and Commitments**

In connection with the Acxiom Impact disposition, the Company assigned a facility lease to the buyer of the business. The Company guaranteed the facility lease as required by the asset disposition agreement. Should the assignee default, the Company would be required to perform under the terms of the facility lease, which continues through September 2021. At December 31, 2017, the Company's maximum potential future rent payments subject to this guarantee totaled \$2.3 million.

There were no material outstanding letters of credit at December 31, 2017 or March 31, 2017.

#### *Contractual Commitments*

The following table presents the Company's contractual cash obligations, exclusive of interest, and purchase commitments at December 31, 2017. The table does not include the future payment of liabilities related to uncertain tax positions of \$5.1 million as the Company is not able to predict the periods in which the payments will be made. The amounts for 2018 represent the remaining three months ending March 31, 2018. All other periods represent fiscal years ending March 31 (dollars in thousands).

	For the years ending March 31,						
	2018	2019	2020	2021	2022	Thereafter	Total
Revolving credit borrowings	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 230,000	\$ 230,000
Other debt	588	1,583	1,362	348	—	—	3,881
Total long-term debt	588	1,583	1,362	348	—	230,000	233,881
Operating leases	5,113	19,447	14,537	14,181	13,839	17,393	84,510
Total contractual cash obligations	\$ 5,701	\$ 21,030	\$ 15,899	\$ 14,529	\$ 13,839	\$ 247,393	\$ 318,391

	For the years ending March 31,						
	2018	2019	2020	2021	2022	Thereafter	Total
Total purchase commitments	\$ 13,080	\$ 22,149	\$ 16,096	\$ 8,262	\$ 1,284	\$ 338	\$ 61,209

Purchase commitments include contractual commitments for the purchase of data and open purchase orders for equipment, paper, office supplies, construction and other items. Purchase commitments in some cases will be satisfied by entering into future operating leases, capital leases, or other financing arrangements, rather than payment of cash. The above commitments relating to long-term obligations do not include future payments of interest. The Company estimates future interest payments on debt for the remainder of fiscal 2018 of \$2.7 million.

The following are contingencies or guarantees under which the Company could be required, in certain circumstances, to make cash payments as of December 31, 2017 (dollars in thousands):

Lease guarantees	\$	2,260
Surety bonds	\$	405

While the Company does not have any other material contractual commitments for capital expenditures, certain levels of investments in facilities and computer equipment continue to be necessary to support the growth of the business. In some cases, the Company also licenses software and sells hardware to clients. Management believes that the Company's existing available debt and cash flow from operations will be sufficient to meet the Company's working capital and capital expenditure requirements for the foreseeable future. The Company also evaluates acquisitions from time to time, which may require up-front payments of cash.

For a description of certain risks that could have an impact on results of operations or financial condition, including liquidity and capital resources, see "Risk Factors" contained in Part I, Item 1A, of the Company's 2017 Annual Report.

### **Non-U.S. Operations**

The Company has a presence in the United Kingdom, France, Germany, Poland, Australia, China and Japan. Most of the Company's exposure to exchange rate fluctuation is due to translation gains and losses as there are no material transactions that cause exchange rate impact. In general, each of the foreign locations is expected to fund its own operations and cash flows, although funds may be loaned or invested from the U.S. to the foreign subsidiaries subject to limitations in the Company's revolving credit facility. These advances are considered long-term investments, and any gain or loss resulting from changes in exchange rates as well as gains or losses resulting from translating the foreign financial statements into U.S. dollars are included in accumulated other comprehensive income. Exchange rate movements of foreign currencies may have an impact on the Company's future costs or on future cash flows from foreign investments. The Company has not entered into any foreign currency forward exchange contracts or other derivative instruments to hedge the effects of adverse fluctuations in foreign currency exchange rates.

### **Critical Accounting Policies**

We prepare our condensed consolidated financial statements in conformity with U.S. GAAP. These accounting principles require management to make certain judgments and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. The consolidated financial statements in the Company's 2017 Annual Report include a summary of significant accounting policies used in the preparation of Acxiom's consolidated financial statements. In addition, the Management's Discussion and Analysis filed as part of the 2017 Annual Report contains a discussion of the policies that management has identified as the most critical because they require management's use of complex and/or significant judgments. None of the Company's critical accounting policies have materially changed since the date of the last annual report.

### **Accounting Pronouncements Adopted During the Current Year**

See "Accounting Pronouncements Adopted During the Current Year" under Note 1, "Basis of Presentation and Summary of Significant Accounting Policies," of the Notes to Condensed Consolidated Financial Statements for a discussion of certain accounting standards that have been issued and were adopted during the current fiscal year.

### **New Accounting Pronouncements Not Yet Adopted**

See "Recent Accounting Pronouncements Not Yet Adopted" under Note 1, "Basis of Presentation and Summary of Significant Accounting Policies," of the Notes to Condensed Consolidated Financial Statements for a discussion of certain accounting standards that have been issued but not yet adopted.

## **Forward-looking Statements**

This Quarterly Report on Form 10-Q contains forward-looking statements. These statements, which are not statements of historical fact, may contain estimates, assumptions, projections and/or expectations regarding the Company's financial position, results of operations, market position, product development, growth opportunities, economic conditions, and other similar forecasts and statements of expectation. Forward-looking statements are often identified by words or phrases such as "anticipate," "estimate," "plan," "expect," "believe," "intend," "foresee," or the negative of these terms or other similar variations thereof. These forward-looking statements are not guarantees of future performance and are subject to a number of factors and uncertainties that could cause the Company's actual results and experiences to differ materially from the anticipated results and expectations expressed in the forward-looking statements.

Forward-looking statements may include but are not limited to the following:

- management's expectations about the macro economy;
- statements containing a projection of revenues, income (loss), earnings (loss) per share, capital expenditures, dividends, capital structure, or other financial items;
- statements of the plans and objectives of management for future operations, including, but not limited to, those statements contained under the heading "Axiom's Growth Strategy" in Part I, Item 1 of the Company's 2017 Annual Report on Form 10-K;
- statements of future economic performance, including, but not limited to, those statements contained in Management's Discussion and Analysis of Financial Condition and Results of Operations contained in the Company's 2017 Annual Report on Form 10-K;
- statements containing any assumptions underlying or relating to any of the above statements; and
- statements containing a projection or estimate

Among the factors that may cause actual results and expectations to differ from anticipated results and expectations expressed in such forward-looking statements are the following:

- the risk factors described in Part I, "Item 1A. Risk Factors" included in the Company's 2017 Annual Report and those described from time to time in our future reports filed with the SEC;
- the possibility that, in the event a change of control of the Company is sought, certain clients may attempt to invoke provisions in their contracts allowing for termination upon a change in control, which may result in a decline in revenue and profit;
- the possibility that the integration of acquired businesses may not be as successful as planned;
- the possibility that the fair value of certain of our assets may not be equal to the carrying value of those assets now or in future time periods;
- the possibility that sales cycles may lengthen;
- the possibility that we will not be able to properly motivate our sales force or other associates;
- the possibility that we may not be able to attract and retain qualified technical and leadership associates, or that we may lose key associates to other organizations;
- the possibility that we will not be able to continue to receive credit upon satisfactory terms and conditions;
- the possibility that competent, competitive products, technologies or services will be introduced into the marketplace by other companies;

- the possibility that there will be changes in consumer or business information industries and markets that negatively impact the Company;
- the possibility that we will not be able to protect proprietary information and technology or to obtain necessary licenses on commercially reasonable terms;
- the possibility that there will be changes in the legislative, accounting, regulatory and consumer environments affecting our business, including but not limited to litigation, legislation, regulations and customs impairing our ability to collect, manage, aggregate and use data;
- the possibility that data suppliers might withdraw data from us, leading to our inability to provide certain products and services;
- the possibility that data purchasers will reduce their reliance on us by developing and using their own, or alternative, sources of data generally or with respect to certain data elements or categories;
- the possibility that we may enter into short-term contracts, which would affect the predictability of our revenues;
- the possibility that the amount of ad hoc, volume-based and project work will not be as expected;
- the possibility that we may experience a loss of data center capacity or interruption of telecommunication links or power sources;
- the possibility that we may experience failures or breaches of our network and data security systems, leading to potential adverse publicity, negative customer reaction, or liability to third parties;
- the possibility that our clients may cancel or modify their agreements with us;
- the possibility that we will not successfully complete customer contract requirements on time or meet the service levels specified in the contracts, which may result in contract penalties or lost revenue;
- the possibility that we may experience processing errors that result in credits to customers, re-performance of services or payment of damages to customers;
- general and global negative economic conditions; and
- our tax rate and other effects of the changes to U.S. federal tax law.

With respect to the provision of products or services outside our primary base of operations in the United States, all of the above factors apply, along with the difficulty of doing business in numerous sovereign jurisdictions due to differences in scale, competition, culture, laws and regulations.

Other factors are detailed from time to time in periodic reports and registration statements filed with the SEC. The Company believes that it has the product and technology offerings, facilities, associates and competitive and financial resources for continued business success, but future revenues, costs, margins and profits are all influenced by a number of factors, including those discussed above, all of which are inherently difficult to forecast.

In light of these risks, uncertainties and assumptions, the Company cautions readers not to place undue reliance on any forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements based on the occurrence of future events, the receipt of new information or otherwise.



### **Item 3. Quantitative and Qualitative Disclosures about Market Risk**

We believe there have been no material changes in our market risk exposures for the nine months ended December 31, 2017, as compared with those discussed in our Annual Report on Form 10-K for the fiscal year ended March 31, 2017.

### **Item 4. Controls and Procedures**

(a) Evaluation of Disclosure Controls and Procedures.

Our management, with the participation of our Chief Executive Officer and President (our principal executive officer) and our Chief Financial Officer and Executive Vice President (our principal financial and accounting officer), evaluated the effectiveness of our disclosure controls and procedures (as defined under Rule 13a-15(e) of the Securities Exchange Act of 1934, as amended). Based on this evaluation, our principal executive officer and our principal financial and accounting officer concluded that as of December 31, 2017, our disclosure controls and procedures were effective.

(b) Changes in Internal Control over Financial Reporting.

There have been no changes in our internal control over financial reporting that occurred during the fiscal quarter ended December 31, 2017 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**Item 1. Legal Proceedings**

There are currently no matters pending against the Company or its subsidiaries for which the potential exposure is considered material to the Company's condensed consolidated financial statements.

**Item 1A. Risk Factors**

The risks described in Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the year ended March 31, 2017, which was filed with the Securities and Exchange Commission on May 26, 2017, remain current in all material respects. Those risk factors do not identify all risks that we face. Our operations could also be affected by factors that are not presently known to us or that we currently consider to be immaterial to our operations. If any of the identified risks or others not specified in our SEC filings materialize, our business, financial condition, or results of operations could be materially adversely affected. In these circumstances, the market price of our common stock could decline.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

(a) Not applicable.

(b) Not applicable.

(c) The table below provides information regarding purchases by Acxiom of its common stock during the periods indicated.

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs
October 2017	—	n/a	—	\$ 94,474,907
November 2017	339,883	26.54	339,883	85,455,426
December 2017	389,081	27.36	389,081	74,809,780
Total	728,964	26.98	728,964	\$ 74,809,780

On August 29, 2011, the board of directors adopted a common stock repurchase program. That program was subsequently modified and expanded, most recently on July 28, 2016. Under the modified common stock repurchase program, the Company may purchase up to \$400.0 million of its common stock through the period ending June 30, 2018. Through December 31, 2017, the Company had repurchased a total of 18.4 million shares of its stock for \$325.2 million, leaving remaining capacity of \$74.8 million under the stock repurchase program.

**Item 3. Defaults Upon Senior Securities**

Not applicable.

**Item 4. Mine Safety Disclosures**

Not applicable.

**Item 5. Other Information**

Not applicable.

## Item 6. Exhibits

The following exhibits are filed with this quarterly report:

- 10.1 [Amended and Restated Key Associate Stock Option Plan of Acxiom Corporation \(previously filed as Exhibit 10\(e\) to Acxiom's Annual Report on Form 10-K for the fiscal year ended March 31, 2000, Commission File No. 0-13163, and incorporated herein by reference\)](#)
- 10.2 [Amended and Restated 2005 Equity Compensation Plan of Acxiom Corporation \(previously filed on August 4, 2017, as Exhibit 10.1 to Acxiom Corporation's Quarterly Report on Form 10-Q, and incorporated herein by reference\)](#)
- 10.3 [Amended and Restated 2010 Executive Officer Severance Policy \(previously filed as Exhibit 10.7 to Acxiom Corporation's Annual Report on Form 10-K for the fiscal year ended March 31, 2015, Commission File No. 0-13163, and incorporated herein by reference\)](#)
- 10.4 [2011 Nonqualified Equity Compensation Plan of Acxiom Corporation \(previously filed on July 27, 2011, as Exhibit 10.2 to Acxiom Corporation's Current Report on Form 8-K, and incorporated herein by reference\)](#)
- 10.5 [LiveRamp, Inc. 2006 Equity Incentive Plan \(previously filed as Exhibit 99.1 to Acxiom Corporation's Registration Statement on Form S-8, Commission File No. 333-197463, and incorporated herein by reference\)](#)
- 10.6 [Arbor Equity Compensation Plan \(previously filed as Exhibit 10.2 to Acxiom Corporation's Registration Statement on Form S-8, Commission File No. 333-214926, and incorporated herein by reference\)](#)
- 10.7 [Circulate Equity Compensation Plan \(previously filed as Exhibit 10.4 to Acxiom Corporation's Registration Statement on Form S-8, Commission File No. 333-214926, and incorporated herein by reference\)](#)
- 10.8 [Form of Performance Unit Award Agreement under the Amended and Restated 2005 Equity Compensation Plan of Acxiom Corporation](#)
- 31.1 [Certification of Chief Executive Officer and President \(principal executive officer\) pursuant to SEC Rule 13a-14\(a\)/15d-14\(a\), as adopted pursuant to Sections 302 and 404 of the Sarbanes-Oxley Act of 2002](#)
- 31.2 [Certification of Chief Financial Officer and Executive Vice President \(principal financial and accounting officer\) pursuant to SEC Rule 13a-14\(a\)/15d-14\(a\), as adopted pursuant to Sections 302 and 404 of the Sarbanes-Oxley Act of 2002](#)
- 32.1 [Certification of Chief Executive Officer and President \(principal executive officer\) pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)
- 32.2 [Certification of Chief Financial Officer and Executive Vice President \(principal financial and accounting officer\) pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)

101 The following financial information from our Quarterly Report on Form 10-Q for the quarter ended December 31, 2017, formatted in XBRL: (i) Condensed Consolidated Balance Sheets at December 31, 2017, and March 31, 2017, (ii) Condensed Consolidated Statements of Operations for the Three Months ended December 31, 2017 and 2016, (iii) Condensed Consolidated Statements of Operations for the Nine Months ended December 31, 2017 and 2016, (iv) Condensed Consolidated Statements of Comprehensive Income (Loss) for the Three Months ended December 31, 2017 and 2016, (v) Condensed Consolidated Statements of Comprehensive Income (Loss) for the Nine Months ended December 31, 2017 and 2016, (vi) Condensed Consolidated Statement of Equity for the Nine Months ended December 31, 2017, (vii) Condensed Consolidated Statements of Cash Flows for the Nine Months ended December 31, 2017 and 2016, and (vi) the Notes to Condensed Consolidated Financial Statements, tagged in detail.

SIGNATURE

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 thereunto duly authorized.

Axiom Corporation

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Dated: February 7, 2018

By: /s/ Warren C. Jenson

(Signature)

Warren C. Jenson

Chief Financial Officer & Executive Vice President

(principal financial and accounting officer)

2000 ASSOCIATE STOCK OPTION PLAN  
OF  
ACXIOM CORPORATION

1. Establishment and Purpose. The purpose of the 2000 Associate Stock Option Plan of Acxiom Corporation (the “Plan”) is to further the growth and development of Acxiom Corporation (the “Company”) and any of its present or future Subsidiaries and Affiliated Companies (as defined below) by granting to certain Associates (as defined below) of the Company and any Subsidiary or Affiliated Company options to purchase shares of Common Stock (as defined below) of the Company, thereby offering such Associates a proprietary interest in the Company’s business and a more direct stake in its continuing welfare, and aligning their interests with those of the Company’s shareholders. This Plan is also intended to assist the Company in attracting and retaining talented Associates, who are vital to the continued development and success of the Company.

2. Definitions. The following capitalized terms, when used in the Plan, will have the following meanings:

(a) “Act” means the Securities Exchange Act of 1934, as amended and in effect from time to time.

(b) “Affiliated Company” means any corporation, limited liability company, partnership, limited liability partnership, joint venture or other entity in which the Company or any of its Subsidiaries has an ownership interest.

(c) “Associate” means any employee, officer (whether or not also a director), affiliate, independent contractor or consultant of the Company, a Subsidiary or an Affiliated Company who renders those types of services which tend to contribute to the success of the Company, its Subsidiaries or its Affiliated Companies, or which may reasonably be anticipated to contribute to the future success of the Company, its Subsidiaries or its Affiliated Companies.

(d) “Board” shall mean the Board of Directors of the Company.

(e) “Code” means the Internal Revenue Code of 1986, as amended and in effect from time to time.

(f) “Common Stock” means the common stock, par value \$.10 per share, of the Company or any security into which such common stock may be changed by reason of any transaction or event of the type described in Section 19 of the Plan.

(g) “Committee” means a committee of the Board whose members are appointed by the Board from time to time. All of the members of the Committee, which may not be less than two, are intended at all times to qualify as “outside directors” within the meaning of Section 162(m) of the Code and “Non-Employee Directors” within the meaning of Rule 16b-3; provided, however,

that the failure of a member of such Committee to so qualify shall not be deemed to invalidate any Stock Option granted by such Committee.

(h) “Date of Grant” means the date specified by the Committee or the Board, as applicable, on which a grant of Stock Options or Stock Appreciation Rights will become effective.

(i) “Exercise Price” means the purchase price per share payable upon exercise of a Stock Option.

(j) “Fair Market Value” means, as of any applicable determination date or for any applicable determination period, the fair market value of the Common Stock as determined by the Committee or Board.

(k) “Grant Documents” means any written agreement, memorandum or other document or instrument, authorized by the Committee or Board, evidencing the terms and conditions of a Stock Option or Stock Appreciation Right grant under the Plan.

(l) “Incentive Stock Option” means a Stock Option intended to be and designated as an “Incentive Stock Option” within the meaning of Section 422 of the Code.

(m) “Legal Requirements” mean any laws, or any rules or regulations issued or promulgated by the Internal Revenue Service (including Section 422 of the Code), the Securities and Exchange Commission, the National Association of Securities Dealers, Inc., The Nasdaq, Inc.’s National Market (or any other stock exchange upon which the Common Stock is listed for trading), or any other governmental or quasi-governmental agency having jurisdiction over the Company, the Common Stock or the Plan.

(n) “Non-Qualified Stock Option” means any Stock Option that is not an Incentive Stock Option.

(o) “Participant” means a person who is selected by the Committee or the Board, as applicable, to receive Stock Option or Stock Appreciation Right grants under the Plan and who is at that time an Associate.

(p) “Rule 16b-3” means Rule 16b-3 under Section 16 of the Act, as such Rule is in effect from time to time.

(q) “Stock Appreciation Right” means the right pursuant to an award granted under Section 12 of the Plan, to surrender to the Company all (or a portion) of such right and, if applicable, a related Stock Option, and receive cash or shares of Common Stock in accordance with the provisions of Section 12.

(r) “Stock Option” means the right to purchase a share of Common Stock upon exercise of an option granted pursuant to Section 4 of the Plan.

(s) "Strike Price" shall have the meaning set forth for such term in Section 12(b) of the Plan.

(t) "Subsidiary" means any corporation, limited liability company, partnership, limited liability partnership, joint venture or other entity in which the Company owns or controls, directly or indirectly, not less than 50% of the total combined voting power or equity interests represented by all classes of stock issued by such corporation, limited liability company, partnership, limited liability partnership, joint venture or other entity.

3. Administration. The Plan shall be administered by the Committee and the Board. Each of the Committee or the Board has the full authority and discretion to administer the Plan, and to take any action that is necessary or advisable in connection with the administration of the Plan including, without limitation, the authority and discretion to:

(a) select the Associates eligible to become Participants under the Plan;

(b) determine whether and to what extent Incentive Stock Options, Non-Qualified Stock Options or Stock Appreciation Rights are to be granted hereunder to one or more Associates;

(c) determine the number of shares of Common Stock to be covered by each such grant;

(d) determine the terms and conditions, not inconsistent with the terms of the Plan, of any grant hereunder (including, but not limited to, the Exercise Price or Strike Price and any restriction, limitation, procedure, or deferral related thereto, or any vesting acceleration or waiver of forfeiture restrictions regarding any Stock Option, or the shares of stock relating thereto, or any Stock Appreciation Right, based in each case on such guidelines and factors as the Committee or Board shall determine from time to time in its sole discretion); and

(e) determine whether, to what extent and under what circumstances grants under the Plan are to be made and operate, whether on a tandem basis or otherwise, with other grants or awards (whether equity or cash based) made by the Company under or outside of the Plan.

Each of the Committee and the Board shall have the authority to adopt, alter and repeal such rules, guidelines and practices governing the Plan as it shall from time to time deem advisable; to interpret the terms and provision of the Plan and any Stock Option or Stock Appreciation Right grant issued under the Plan (and any Grant Documents relating thereto); and to otherwise supervise the administration of the Plan.

Each of the Committee and the Board shall also have the authority to provide, in its discretion, for the rescission, forfeiture, cancellation or other restriction of any Stock Option or Stock Appreciation Right granted under the Plan, or for the forfeiture, rescission or repayment to the Company by an Associate or former Associate of any profits or gains related to the exercise of any Stock Option or Stock Appreciation Right granted hereunder, or other limitations, upon the occurrence of such prescribed events and under such circumstances as the Committee or the Board



shall deem necessary and reasonable for the benefit of the Company; provided, however, that this provision shall have no application after a Change in Control Event (as defined below in Section 20) has occurred.

All decisions made by the Committee and the Board pursuant to the provisions of the Plan shall be made in the Committee's or Board's sole discretion and shall be final and binding on all persons including the Company and any Participant. No member of the Committee or Board will be liable for any such action or determination made in good faith.

Notwithstanding any provision of the Plan to the contrary, the Committee will have the exclusive authority and discretion to administer or otherwise take any action required or permitted to be taken under the provisions of Sections 4, 6, 7, 8, 10, 11, 12, 18 or 19 hereof with respect to Stock Options or Stock Appreciation Rights granted under the Plan that are intended to comply with the requirements of Section 162(m) of the Code.

4. Grant of Stock Options. The Committee or the Board may from time to time authorize grants of Stock Options to any Participant upon such terms and conditions as the Committee or Board may determine in accordance with the provisions set forth in this Plan. Each grant will specify, among other things, the number of shares of Common Stock to which it pertains; the Exercise Price, the form of payment to be made by the Participant for the shares purchased upon exercise of the Stock Option and the required period or periods (if any) of continuous service by the Participant with the Company, a Subsidiary or an Affiliated Company and/or any other conditions to be satisfied before the Stock Options or installments thereof will vest and become exercisable. Stock Options granted under the Plan may be either Non-Qualified Stock Options or Incentive Stock Options. The Committee or Board, at the time each Stock Option is granted, shall designate such option as either a Non-Qualified Stock Option or an Incentive Stock Option.

Notwithstanding any provision of the Plan to the contrary, the aggregate Fair Market Value (as determined on the Date of Grant) of the Common Stock with respect to which Incentive Stock Options granted are exercisable for the first time by any Participant during any calendar year (under all plans of the Company and its Subsidiaries) shall not exceed the maximum amount specified by Section 422 of the Code, as amended from time to time (currently \$100,000).

Each Stock Option granted under this Plan will be evidenced by Grant Documents delivered to the Participant containing such further terms and provisions, consistent with the Plan, as the Committee or Board may approve in its discretion.

5. Shares Subject to the Plan. The total number of shares of Common Stock which may be issued pursuant to the Plan shall not exceed in the aggregate 6,500,000 shares. Such shares may consist, in whole or in part, of authorized and unissued shares or treasury shares, as determined in the discretion of the Committee or Board. Any shares of Common Stock which are subject to Stock Options that are terminated unexercised, forfeited or surrendered or that expire for any reason will again be available for issuance under the Plan. The shares of Common Stock available for issuance under the Plan will be subject to adjustment as provided in Section 19 below.

6. Eligible Participants. All Associates shall be eligible to receive Stock Options and thereby become Participants in the Plan, regardless of such Associate's prior participation in the Plan or any other benefit plan of the Company. No executive officer named in the Summary Compensation Table of the Company's then current Proxy Statement shall be eligible to receive in excess of 600,000 Stock Options or Stock Appreciation Rights in any three-year period.

7. Exercise Price.

(a) The Exercise Price for each share of Common Stock purchasable under any Stock Option shall be not less than 100% of the Fair Market Value per share on the Date of Grant as the Committee or Board shall specify. All such Exercise Prices shall be subject to adjustment as provided for in Section 19 hereof.

(b) If any Participant to whom an Incentive Stock Option is to be granted under the Plan is on the Date of Grant the owner of stock (as determined under Section 425(d) of the Code) possessing more than 10% of the total combined voting power of all classes of stock of the Company or any one of its Subsidiaries or Affiliated Companies, then the following special provisions shall be applicable to any Incentive Stock Options granted to such individual:

(i) The Exercise Price per share of Common Stock subject to such Incentive Stock Option shall not be less than 110% of the Fair Market Value of one share of Common Stock on the Date of Grant; and

(ii) The Incentive Stock Option shall not have a term in excess of five (5) years from the Date of Grant.

8. Exercise Period. Subject to Section 19 hereof, the period during which a Stock Option shall vest and become exercisable by a Participant (or his or her representative(s) or transferee(s)) whether during or after employment or following death, retirement or disability (the "Exercise Period") shall be such period of time as may be designated by the Committee or Board as set forth in the applicable Grant Documents executed in connection with such Stock Option. If the Committee or Board provides, in its sole discretion, that any Stock Option is exercisable only in installments, the Committee or Board may waive or accelerate such installment exercise provisions at any time at or after grant in whole or in part, based upon such factors as the Committee or Board shall determine, in its sole discretion.

The maximum duration of any Incentive Stock Option granted under the Plan shall be ten (10) years from the Date of Grant (and no such Incentive Stock Option shall be exercisable after the expiration of such (10) year period), although such options may be granted for a lesser duration. The duration of Non-Qualified Stock Options shall be for such period as determined by the Committee or Board in its sole discretion.

9. Exercise of Option. Subject to Section 19 hereof, a Stock Option may be exercised by a Participant at any time and from time to time during the Exercise Period by giving written notice of such exercise to the Company specifying the number of shares of Common Stock to be

purchased by Participant. Such notice shall be accompanied by payment of the Exercise Price in accordance with Section 10 below.

10. Payment for Shares. Full payment of the Exercise Price for shares purchased upon exercise of a Stock Option, together with the amount of any tax or excise due in respect of the sale and issue thereof, may be made in one of the following forms of payment:

(a) Cash, by check or electronic funds transfer;

(b) Pursuant to procedures approved by the Company, through the sale (or margin) of shares of Common Stock acquired upon exercise of the Stock Option through a broker-dealer to whom the Participant has submitted an irrevocable notice of exercise and irrevocable instructions to deliver promptly to the Company the amount of sale (or if applicable margin loan) proceeds sufficient to pay for the Exercise Price, together with, if requested by the Company, the amount of federal, state, local or foreign withholding taxes payable by reason of such exercise;

(c) By delivering previously-owned shares of the Company's Common Stock owned by the Participant for a period of at least six months having a Fair Market Value on the date upon which the Participant exercises his or her Stock Option equal to the Exercise Price, or by delivering a combination of cash and shares of Common Stock equal to the aggregate Exercise Price;

(d) By authorizing the Company to withhold a number of shares of Common Stock otherwise issuable to the Participant upon exercise of a Stock Option having an aggregate Fair Market Value on the date upon which the Participant exercises his or her Stock Option equal to the aggregate Exercise Price; or

(e) By any combination of the foregoing;

provided however, that the payment methods described in clauses (c), (d) or (e) immediately above shall not be available to a Participant (i) without the prior consent of either the Committee or Board, or its authorized designee(s) and (ii) if at any time that the Company is prohibited from purchasing or acquiring shares of Common Stock under applicable law. The Committee may permit a Participant to defer the issuance of any shares, subject to such rules and procedures as it may establish.

The Company will issue no certificates for shares until full payment of the Exercise Price has been made, and a Participant shall have none of the rights of a shareholder until certificates for the shares purchased are issued to him or her; provided however, that for purposes of this Section 10, full payment shall be deemed to be received by the Company upon evidence of delivery to a broker-dealer of the irrevocable instructions contemplated by clause (b) immediately above.

11. Withholding Taxes. The Company may require a Participant exercising a Non-Qualified Stock Option or Stock Appreciation Right granted hereunder to reimburse the Company (or the entity which employs such Participant) for taxes required by any government to be withheld

or otherwise deducted and paid by such corporation in respect of the issuance of the shares. Such withholding requirements may be satisfied by any one of the following methods:

(a) A Participant may deliver cash in an amount which would satisfy the withholding requirement;

(b) A Participant may deliver previously-owned shares of Common Stock (based upon the Fair Market Value of the Common Stock on the date of exercise) in an amount which would satisfy the withholding requirement; or

(c) With the prior consent of either the Committee or Board, or its authorized designee, a Participant may request that the Company (or the entity which employs such Participant) withhold from the number of shares otherwise issuable to the Participant upon exercise of a Stock Option such number of shares (based upon the Fair Market Value of the Common Stock on the date of exercise) as is necessary to satisfy the withholding requirement.

## 12. Stock Appreciation Rights.

(a) When granted, Stock Appreciation Rights may, but need not be identified with a specific Stock Option (including any Stock Option granted on or before the Date of Grant of the Stock Appreciation Rights) in a number equal to or different from the number of Stock Appreciation Rights so granted. If Stock Appreciation Rights are identified with shares subject to a Stock Option, then, unless otherwise provided in the applicable Grant Document, the Participant's associated Stock Appreciation Rights shall terminate upon the expiration, termination, forfeiture or cancellation of such Stock Option or the exercise of such Stock Option.

(b) The "Strike Price" of any Stock Appreciation Right shall (i) for any Stock Appreciation Right that is identified with a Stock Option, equal the Exercise Price of such Stock Option, or (ii) for any other Stock Appreciation Right, be not less than 100% of the Fair Market Value of a share of Common Stock on the Date of Grant as the Committee or Board shall specify.

(c) Subject to Section 19 hereof, (i) each Stock Appreciation Right which is identified with any Stock Option grant shall vest and become exercisable by a Participant as and to extent that the related Stock Option which respect to which such Stock Appreciation Right is identified may be exercised and (ii) each other Stock Appreciation Right shall vest and become exercisable by a Participant, whether during or after employment or following death, retirement or disability, at such time or times as may be designated by the Committee or Board as set forth in the applicable Grant Documents executed in connection with such Stock Appreciation Right.

(d) Subject to Section 19 hereof, Stock Appreciation Rights may be exercised by a Participant by delivery to the Company of written notice of intent to exercise a specific number of Stock Appreciation Rights. Unless otherwise provided in the applicable Grant Documents, the exercise of Stock Appreciation Rights which are identified with shares of Common Stock subject to a Stock Option shall result in the cancellation or forfeiture of such Stock Option to the extent of such exercise of such Stock Appreciation Right.

(e) The benefit to the Participant for each Stock Appreciation Right exercised shall be equal to (i) the Fair Market Value of a share of Common Stock on the date of such exercise, minus (ii) the Strike Price of such Stock Appreciation Right. Such benefit shall be payable in cash, except that the Committee or Board may provide in the Grant Documents that benefits may be paid wholly or partly in shares of Common Stock.

13. Loans or Guarantee of Loans. The Committee or Board, or its authorized designee(s), may authorize the extension of a loan to a Participant by the Company (or the guarantee by the Company of a loan obtained by a Participant from a third party) in order to assist a Participant to exercise a Stock Option granted under the Plan. The terms of any loans or guarantees, including the interest rate and terms of repayment, will be subject to the discretion of the Committee or Board, or its authorized designee(s). Loans and guarantees may be granted without security, the maximum credit available being the Exercise Price of the Stock Option sought to be exercised plus any federal and state income tax liability incurred upon exercise of the Stock Option.

14. Clawback. All Awards granted pursuant to this Plan are subject to the Company's "clawback policy" as may be in effect at the time.

15. Transferability.

(a) Incentive Stock Options granted under this Plan shall not be transferred by a Participant, except by will or by the laws of descent and distribution.

(b) Non-Qualified Stock Options and Stock Appreciation Rights (subject to the limitations in paragraph (c) below) granted under the Plan may be transferred by a Participant to: (i) the Participant's family members (whether related by blood, marriage, or adoption and including a former spouse); (ii) trust(s) in which the Participant's family members have a greater than 50% beneficial interest; and (iii) family partnerships and/or family limited liability companies which are controlled by the Participant or the Participant's family members, such transfers being permitted to occur by gift or pursuant to a domestic relation order, or, only in the case of transfers to the entities described in clauses (i) and (ii) immediately above, for value. The Committee or Board, or its authorized designee(s) may, in its sole discretion, permit transfers of Non-Qualified Stock Options or Stock Appreciation Rights to other persons or entities upon the request of a Participant. Subsequent transfers of previously transferred Non-Qualified Stock Options or Stock Appreciation Rights may only be made to one of the permitted transferees named above, unless the subsequent transfer has been approved by the Committee or the Board, or its authorized designee(s). Otherwise, such transferred options may be transferred only by will or the laws of descent and distribution.

(c) Notwithstanding the foregoing, if at the time any Stock Option is transferred as permitted under this Section 15, a corresponding Stock Appreciation Right has been identified as being granted in tandem with such Stock Option, then the transfer of such Stock Option shall also constitute a transfer of the corresponding Stock Appreciation Right, and such Stock Appreciation Right shall not be transferable other than as part of the transfer of the Stock Option to which it relates.

(d) Concurrently with any transfer, the transferor shall give written notice to the Plan's then current Stock Option administrator of the name and address of the transferee, the number of shares being transferred, the Date of Grant of the Stock Options or Stock Appreciation Rights being transferred, and such other information as may reasonably be required by the administrator. Following transfer, any such Stock Options or Stock Appreciation Rights shall continue to be subject to the same terms and conditions as were applicable immediately prior to transfer. The provisions of the Plan and applicable Grant Documents shall continue to be applied with respect to the original Participant, and such Stock Options or Stock Appreciation Rights shall be exercisable by the transferee only to the extent that they could have been exercised by the Participant under the terms of such Grant Documents. The Company disclaims any obligation to provide notice to a transferee of any termination or expiration of a transferred Stock Option or Stock Appreciation Right.

16. Conditions to Exercise of Options. The Committee or Board may, in its discretion, require as conditions to the exercise of Stock Options or Stock Appreciation Rights and the issuance of shares thereunder either (a) that a registration statement under the Securities Act of 1933, as amended, with respect to the Stock Options or Stock Appreciation Rights and the shares to be issued upon the exercise thereof, containing such current information as is required by the Rules and Regulations under said Act, shall have become, and continue to be, effective; or (b) that the Participant or his or her transferee(s) (i) shall have represented, warranted and agreed, in form and substance satisfactory to the Company, both that he or she is acquiring the Stock Option or Stock Appreciation Right and, at the time of exercising the Stock Option or Stock Appreciation Right, that he or she is acquiring the shares for his/her own account, for investment and not with a view to or in connection with any distribution; (ii) shall have agreed to restrictions on transfer, in form and substance satisfactory to the Company; and (iii) shall have agreed to an endorsement which makes appropriate reference to such representations, warranties, agreements and restrictions both on the option and on the certificate representing the shares.

17. Conditions to Effectiveness of the Plan. No Stock Option or Stock Appreciation Right shall be granted or exercised if the grant of the Stock Option or Stock Appreciation Right, or the exercise and the issuance of shares or other consideration pursuant thereto, would be contrary to law or the regulations of any duly constituted authority having jurisdiction.

18. Alteration, Termination, Discontinuance, Suspension, or Amendment.

(a) Subject to the requirements of paragraph (c) below, the Committee or Board may, without the consent of the Participant, amend any Grant Documents evidencing a Stock Option or Stock Appreciation Right granted under the Plan, or otherwise take action, to accelerate the time or times at which the Stock Option or Stock Appreciation Right may be exercised, to extend the expiration date of the Stock Option or Stock Appreciation Right, to waive any other condition or restriction applicable to such Stock Option or Stock Appreciation Right or to the exercise of such Stock Option or Stock Appreciation Right, to reduce the Exercise Price or Strike Price, as applicable, of such Stock Option or Stock Appreciation Right, to amend the definition of a change in control of the Company (if such a definition is contained in such Grant Documents) to expand the events that would result in a change in control of the Company and to add a change in control provision to such

Grant Documents (if such provision is not contained in such Grant Documents) and may amend any such Grant Documents in any other respect with the consent of the Participant.

(b) Subject to the requirements of paragraph (c) below, the Plan may be amended from time to time by the Board or any duly authorized committee thereof.

(c) If required by any Legal Requirement, any amendment to the Plan or any Grant Document will also be submitted to and approved by the requisite vote of the shareholders of the Company. If any Legal Requirement requires the Plan to be amended, or in the event any Legal Requirement is amended or supplemented (e.g., by addition of alternative rules) to permit the Company to remove or lessen any restrictions on or with respect to Stock Options or Stock Appreciation Rights, the Board and the Committee each reserves the right to amend the Plan or any Grant Documents evidencing a Stock Option or Stock Appreciation Right to the extent of any such requirement, amendment or supplement, and all Stock Options or Stock Appreciation Rights then outstanding will be subject to such amendment.

(d) Notwithstanding any provision of the Plan to the contrary, the Committee or the Board may not, without prior approval of the shareholders of the Company, reprice any outstanding Stock Option by either lowering the Exercise Price thereof or canceling such outstanding Stock Option in consideration of a grant having a lower Exercise Price. This paragraph 17(d) is intended to prohibit the repricing of “underwater” Stock Options without prior shareholder approval and shall not be construed to prohibit the adjustments provided for in Section 19 hereof.

(e) The Plan may be terminated at any time by action of the Board. The termination of the Plan will not adversely affect the terms of any outstanding Stock Option or Stock Appreciation Right.

(f) The Plan will not confer upon any Participant any right with respect to continuance of employment or other service with the Company or any Subsidiary or Affiliated Company, nor will it interfere in any way with any right the Company or any Subsidiary or Affiliated Company would otherwise have to terminate a Participant’s employment or other service at any time.

19. Adjustment of Shares. Notwithstanding any other provision of the Plan to the contrary, in the event of any change affecting the shares of Common Stock subject to the Plan or any Stock Option or Stock Appreciation Right granted under the Plan (through merger, consolidation, reorganization, recapitalization, dividend or other distribution (whether in the form of cash, shares of Common Stock, other securities or other property), stock split, split-up, split-off, spin-off, combination of shares, exchange of shares, issuance of rights to subscribe, or other change in capital structure of the Company), appropriate adjustments or substitutions shall be made by the Committee or Board as to the (i) maximum number of shares of Common Stock subject to the Plan, (ii) maximum number of shares of Common Stock for which Stock Options or Stock Appreciation Rights may be granted to any one employee, (iii) the number of shares of Common Stock and price per share subject to outstanding Stock Options or Stock Appreciation Rights, and (iv) class of shares of stock that may be delivered under the Plan and/or each outstanding Stock Option or Stock

Appreciation Right as shall be equitable to prevent dilution or enlargement of rights under previously granted Stock Options or Stock Appreciation Rights. The determination of the Committee or Board as to these matters shall be conclusive; provided, however, that (i) any such adjustment with respect to an Incentive Stock Option and any related Stock Appreciation Right shall comply with the rules of Section 424(a) of the Code, and (ii) in no event shall any adjustment be made which would disqualify any Incentive Stock Option granted hereunder as an Incentive Stock Option for purposes of Section 422 of the Code.

20. Change in Control. Notwithstanding any other provision of the Plan to the contrary, upon the occurrence of a transaction involving the consummation of a reorganization, merger, consolidation or similar transaction involving the Company (other than a reorganization, merger, consolidation or similar transaction in which the Company's shareholders immediately prior to such transaction own more than 50% of the combined voting power entitled to vote in the election of directors of the surviving corporation), a sale of all or substantially all of its assets, the liquidation or dissolution of the Company, the acquisition of a significant percentage, which shall be no less than beneficial ownership (within the meaning of Rule 13d-3 under the Act) of 20%, of the voting power of the Company, (each a "Change in Control Event"), which shall not include preliminary transaction activities such as receipt of a letter of interest, receipt of a letter of intent or an agreement in principle, each outstanding Stock Option and Stock Appreciation Right will be treated as the Committee or Board may determine (subject to the provisions of the following paragraph), without a Participant's consent, including, without limitation, that (A) Stock Options and Stock Appreciation Rights will be assumed, or substantially equivalent awards will be substituted, by the acquiring or succeeding corporation (or affiliate thereof), with appropriate adjustments as to the number and kind of shares and prices; (B) upon written or electronic notice to a Participant, that the Participant's Stock Options and Stock Appreciation Rights will terminate upon or immediately prior to the consummation of such Change in Control Event; (C) that, to the extent the Committee or Board may determine, in whole or in part prior to or upon consummation of such Change in Control Event, Stock Options and Stock Appreciation Rights may become immediately exercisable; (D) the termination of a Stock Option or Stock Appreciation Right in exchange for an amount equal to the excess of the fair market value of the shares of Common Stock subject to the Stock Option or Stock Appreciation Right immediately prior to the occurrence of such transaction (which shall be no less than the value being paid for such shares pursuant to such transaction as determined by the Committee or Board) over the Exercise Price or Strike Price, if applicable, of such award, with such amount payable in cash, in one or more of the kinds of property payable in such transaction, or in a combination thereof, as the Committee or Board in their discretion shall determine, or (E) any combination of the foregoing. In taking any of the actions permitted by this Section 20, the Committee or Board will not be obligated to treat all Awards, all Awards held by a Participant, or all Awards of the same type, similarly. Notwithstanding the definition of Change in Control Event above in this Section 20, to the extent required to avoid the adverse tax consequences under Section 409A of the Code, a Change in Control Event shall be deemed to occur only to the extent it also meets the requirements for a change in control event for purposes of Section 409A of the Code.

In the event that the successor corporation does not assume or substitute for a Stock Option or Stock Appreciation Right (or portion thereof), Stock Options and Stock Appreciation Rights will



vest and become immediately exercisable. In addition, if a Stock Option or Stock Appreciation Right is not assumed or substituted in the event of a Change in Control Event, the Committee or Board will notify the Participant in writing or electronically that the Stock Option or Stock Appreciation Right will be exercisable for a period of time determined by the Committee or Board in its sole discretion, and the Stock Option or Stock Appreciation Right will terminate upon the expiration of such period.

For the purposes of this Section 20, a Stock Option or Stock Appreciation Right will be considered assumed if, following the Change in Control Event, the award confers the right to purchase or receive, for each share of Common Stock subject to the Stock Option or Stock Appreciation Right immediately prior to the Change in Control Event, the consideration (whether stock, cash, or other securities or property) received in the Change in Control Event by holders of Common Stock for each share of Common Stock held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding shares of Common Stock); provided, however, that if such consideration received in the Change in Control Event is not solely common stock of the successor corporation or its parent entity, the Committee or Board may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of a Stock Option or Stock Appreciation Right, for each share of Common Stock subject to such Stock Option or Stock Appreciation Right, to be solely common stock of the successor corporation or its parent entity equal in fair market value to the per share consideration received by holders of Common Stock in the Change in Control Event.

Notwithstanding anything in this Section 20 to the contrary, a Stock Option or Stock Appreciation Right that vests, is earned or paid-out upon the satisfaction of one or more pre-established objective performance goals over a performance period will not be considered assumed if the Company or its successor modifies any of such performance goals without the Participant's consent; provided, however, a modification to such performance goals only to reflect the successor corporation's post-Change in Control Event corporate structure will not be deemed to invalidate an otherwise valid award assumption.

21. Use of Proceeds. Proceeds realized from the sale of Common Stock pursuant to Stock Options granted hereunder shall constitute general funds of the Company.

**AMENDED AND RESTATED  
2005 EQUITY COMPENSATION PLAN  
OF  
ACXIOM CORPORATION**

1. Establishment and Purpose. This Amended and Restated 2005 Equity Compensation Plan of Acxiom Corporation (the "Plan") was originally established under the name of the 2000 Associate Stock Option Plan of Acxiom Corporation ("Company"). The Plan has been amended from time to time and hereby is amended and restated as set forth herein, effective December 19, 2017, for awards issued on or after that date. The purpose of the Plan is to further the growth and development of the Company and any of its present or future Subsidiaries and Affiliated Companies (as defined below) by allowing certain Associates (as defined below) to acquire or increase equity ownership in the Company, thereby offering such Associates a proprietary interest in the Company's business and a more direct stake in its continuing welfare, and aligning their interests with those of the Company's stockholders. The Plan is also intended to assist the Company in attracting and retaining talented Associates, who are vital to the continued development and success of the Company.

2. Definitions. The following capitalized terms, when used in the Plan, have the following meanings:

(a) "Act" means the Securities Exchange Act of 1934, as amended and in effect from time to time.

(b) "Affiliated Company" means any corporation, limited liability company, partnership, limited liability partnership, joint venture or other entity in which the Company or any of its Subsidiaries has an ownership interest.

(c) "Associate" means any employee, officer (whether or not also a director), director, affiliate, independent contractor or consultant of the Company, a Subsidiary or an Affiliated Company who renders those types of services which tend to contribute to the success of the Company, its Subsidiaries or its Affiliated Companies, or which may reasonably be anticipated to contribute to the future success of the Company, its Subsidiaries or its Affiliated Companies.

(d) "Award" means the grant, pursuant to the Plan, of any Option, Stock Appreciation Right, Restricted Stock Award, Restricted Stock Unit Award, Performance Awards, Performance Share, Performance Unit, Qualified Performance-Based Award, or Other Stock Unit Award. The terms and conditions applicable to an Award shall be set forth in applicable Grant Documents.

(e) "Award Agreement" means any written or electronic agreement, contract, or other document or instrument evidencing any Award granted by the Committee or the Board hereunder, which may, but need not, be executed or acknowledged by both the Company and the Participant.

(f) "Board" means the Board of Directors of the Company.

(g) "Code" means the Internal Revenue Code of 1986, as amended and in effect from time to time.

(h) "Common Stock" means the common stock, par value \$.10 per share, of the Company or any security into which such common stock may be changed by reason of any transaction or event of the type described in Section 16 of the Plan.

- (i) "Committee" means the Compensation Committee of the Board (as well as any successor to the Compensation Committee and any Company officers to whom authority has been lawfully delegated by the Compensation Committee). All of the members of the Committee, which may not be less than two, are intended at all times to qualify as "outside directors" within the meaning of Section 162(m) of the Code and "Non-Employee Directors" within the meaning of Rule 16b-3, and each of whom is "independent" as set forth in the applicable rules and regulations of the Securities and Exchange Commission and/or Nasdaq or any stock exchange upon which the Shares may be listed in the future; provided, however, that the failure of a member of such Committee to so qualify shall not be deemed to invalidate any Award granted by such Committee.
- (j) "Covered Associate" shall mean a "covered employee" within the meaning of Section 162(m)(3) of the Code, or any successor provision thereto.
- (k) "Date of Grant" means the date specified by the Committee or the Board, as applicable, on which a grant of an Award will become effective.
- (l) "Exercise Period" means the period during which an Option shall vest and become exercisable by a Participant (or his or her representatives or transferees) as specified in Section 6(c) below.
- (m) "Exercise Price" means the purchase price per share payable upon exercise of an Option.
- (n) "Fair Market Value" means, as of any applicable determination date or for any applicable determination period, the closing price of the Company's Common Stock as reported by Nasdaq (or any other stock exchange upon which the Common Stock may be listed for trading).
- (o) "Grant Documents" means any written or electronic Award Agreement, memorandum, notice, and/or other document or instrument evidencing the terms and conditions of the grant of an Award by the Committee or the Board under the Plan, which may, but need not, be executed or acknowledged by both the Company and the Participant.
- (p) "Incentive Stock Option" means an Option intended to be and designated as an "Incentive Stock Option" within the meaning of Section 422 of the Code.
- (q) "Legal Requirements" means any laws, or any rules or regulations issued or promulgated by the Internal Revenue Service (including Section 422 of the Code), the Securities and Exchange Commission, the National Association of Securities Dealers, Inc., Nasdaq (or any other stock exchange upon which the Common Stock may be listed for trading), or any other governmental or quasi-governmental agency having jurisdiction over the Company, the Common Stock or the Plan.
- (r) "Non-Qualified Stock Option" means any Option that is not an Incentive Stock Option.
- (s) "Option" means an option granted to a Participant pursuant to the Plan to acquire a certain number of Shares at such price(s) and during such period(s) and under such other terms and conditions as the Committee or Board shall determine from time to time.

- (t) "Other Stock Unit Award" means any right granted to a Participant by the Committee or Board pursuant to Section 10 hereof.
- (u) "Participant" means an Associate who is selected by the Committee or the Board to receive an Award under the Plan.
- (v) "Performance Award" means any Award of Performance Shares or Performance Units pursuant to Section 9 hereof.
- (w) "Performance Goals" means the pre-established objective performance goals established by the Committee for each Performance Period. The Performance Goals may be based upon the performance of the Company (or a division, organization or other business unit thereof), a Subsidiary, an Affiliated Company, or of an individual Participant, using one or more of the Performance Measures selected by the Committee in its discretion. Performance Goals may be set at a specific level, or may be expressed as a relative percentage to the comparable measure at comparison companies or a defined index. Performance Goals shall, to the extent applicable, be based upon generally accepted accounting principles, but shall be adjusted by the Committee to take into account the effect of the following: changes in accounting standards that may be required by the Financial Accounting Standards Board after the Performance Goal is established; realized investment gains and losses; extraordinary, unusual, non-recurring, or infrequent items; "non-GAAP financial measures" that have been included in the Company's quarterly earnings releases and disclosed to investors in accordance with SEC regulations; and other items as the Committee determines to be required so that the operating results of the Company (or a division, organization or other business unit thereof), a Subsidiary or an Affiliated Company shall be computed on a comparative basis from Performance Period to Performance Period. Determinations made by the Committee shall be based on relevant objective information and/or financial data, and shall be final and conclusive with respect to all affected parties.
- (x) "Performance Measures" means one or more of the following criteria, on which Performance Goals may be based: (a) earnings (either in the aggregate or on a per-Share basis, reflecting dilution of Shares as the Committee deems appropriate and, if the Committee so determines, net of or including dividends) before or after interest and taxes ("EBIT") or before or after interest, taxes, depreciation, and amortization ("EBITDA"); (b) gross or net revenue or changes in annual revenues; (c) cash flow(s) (including operating, free or net cash flows); (d) financial return ratios; (e) total stockholder return, stockholder return based on growth measures or the attainment by the Shares of a specified value for a specified period of time, (f) Share price, or Share price appreciation; (g) earnings growth or growth in earnings per Share; (h) return measures, including return or net return on assets, net assets, equity, capital, investment, or gross sales; (i) adjusted pre-tax margin; (j) pre-tax profits; (k) operating margins; (l) operating profits; (m) operating expenses; (n) dividends; (o) net income or net operating income; (p) growth in operating earnings or growth in earnings per Share; (q) value of assets; (r) market share or market penetration with respect to specific designated products or product groups and/or specific geographic areas; (s) aggregate product price and other product measures; (t) expense or cost levels, in each case, where applicable, determined either on a company-wide basis or in respect of any one or more specified divisions; (u) reduction of losses, loss ratios or expense ratios; (v) reduction in fixed costs; (w) operating cost management; (x) cost of capital; (y) debt reduction; (z) productivity improvements; (aa) satisfaction of specified business expansion goals or goals relating to acquisitions or divestitures; (bb) customer satisfaction

based on specified objective goals or a Company-sponsored customer survey; or (cc) Associate diversity goals.

Performance Measures may be applied on a pre-tax or post-tax basis, and may be based upon the performance of the Company (or a division, organization or other business unit thereof), a Subsidiary, an Affiliated Company, or of an individual Participant. The Committee may, at time of grant, in the case of an Award intended to be a Qualified Performance-Based Award, and in the case of other grants, at any time, provide that the Performance Goals for such Award may include or exclude items to measure specific objectives, such as losses from discontinued operations, extraordinary gains or losses, the cumulative effect of accounting changes, acquisitions or divestitures, foreign exchange impacts, and any unusual nonrecurring gain or loss.

(y) "Performance Period" means that period established by the Committee or the Board at the time any Award is granted or at any time thereafter during which any performance goals specified by the Committee or the Board with respect to such Award are to be measured.

(z) "Performance Share" means any grant pursuant to Section 9 hereof of a right to receive the value of a Share, or a portion or multiple thereof, which value may be paid to the Participant by delivery of such property as the Committee or Board shall determine, including, without limitation, cash, Shares, or any combination thereof, upon achievement of such performance goals during the Performance Period as the Committee or the Board shall establish at the time of such grant or thereafter.

(aa) "Performance Unit" means any grant pursuant to Section 9 hereof of a right to receive the value of property other than a Share, or a portion or multiple thereof, which value may be paid to the Participant by delivery of such property as the Committee or Board shall determine, including, without limitation, cash, Shares, or any combination thereof, upon achievement of such Performance Goals during the Performance Period as the Committee or the Board shall establish at the time of such grant or thereafter.

(bb) "Qualified Performance-Based Award" means an Award to a Covered Associate who is a salaried employee of the Company or to an Associate that the Committee determines may be a Covered Associate at the time the Company would be entitled to a deduction for such Award, which Award is intended to provide "qualified performance-based compensation" within the meaning of Code Section 162(m).

(cc) "Restricted Stock" means any Share issued with the restriction that the holder may not sell, transfer, pledge, or assign such Share and with such other restrictions as the Committee or the Board, in their sole discretion, may impose (including, without limitation, any forfeiture condition or any restriction on the right to vote such Share, and the right to receive any cash dividends on unvested shares), which restrictions may lapse separately or in combination at such time or times, in installments or otherwise, as the Committee or the Board may deem appropriate.

(dd) "Restricted Stock Award" means an award of Restricted Stock or Restricted Stock Units under Section 8 hereof.

- (ee) "Restricted Stock Unit" means a right awarded to a Participant that, subject to Section 8(c), may result in the Participant's ownership of Shares upon, but not before, the lapse of restrictions related thereto.
- (ff) "Restriction Period" means the period of time specified by the Committee or Board pursuant to Sections 8 and 10 below.
- (gg) "Rule 16b-3" means Rule 16b-3 under Section 16 of the Act, as such Rule may be in effect from time to time.
- (hh) "Shares" means the shares of Common Stock of the Company, \$.10 par value, as may be adjusted in accordance with Section 16 of the Plan.
- (ii) "Stock Appreciation Right" means the right pursuant to an Award granted under Section 7 of the Plan, to surrender to the Company all (or a portion) of such right and, if applicable, a related Option, and receive cash or shares of Common Stock in accordance with the provisions of Section 7.
- (jj) "Strike Price" shall have the meaning set forth for such term in Section 7(b) of the Plan.
- (kk) "Subsidiary" means any corporation, limited liability company, partnership, limited liability partnership, joint venture or other entity in which the Company owns or controls, directly or indirectly, not less than 50% of the total combined voting power or equity interests represented by all classes of stock, membership or other interests issued by such corporation, limited liability company, partnership, limited liability partnership, joint venture or other entity.
- (ll) "Substitute Awards" shall mean Awards granted or Shares issued by the Company in assumption of, or in substitution or exchange for, awards previously granted, or the right or obligation to make future awards, by a company acquired by the Company or with which the Company combines.
- (mm) "UK Addendum" means the addendum set forth on Schedule A.

3. Administration. The Plan shall be administered by the Committee and the Board. Except as otherwise provided herein, each of the Committee or the Board has the full authority and discretion to administer the Plan, and to take any action that is necessary or advisable in connection with the administration of the Plan including, without limitation, the authority and discretion to:

- (a) select the Associates eligible to become Participants under the Plan;
- (b) determine whether and to what extent Awards are to be granted;
- (c) determine the number of Shares to be covered by each grant;
- (d) determine the terms and conditions, not inconsistent with the terms of the Plan, of any grant hereunder (including, but not limited to, the term of the Award, the Exercise Price or Strike Price and any restriction, limitation, procedure, or deferral related thereto, provisions relating to the effect upon the Award of a Participant's cessation of employment, acceleration of vesting, forfeiture provisions regarding an Award and/or the profits received by any Participant from receiving an Award of exercising an Option or Stock Appreciation Right, and any other terms and conditions regarding any Award, based in each case upon such guidelines

and factors as the Committee or Board shall determine from time to time in their sole discretion);

(e) determine whether, to what extent and under what circumstances grants under the Plan are to be made and operate, whether on a tandem basis or otherwise, with other grants or awards (whether equity or cash based) made by the Company under or outside of the Plan; and

(f) delegate to one or more officers of the Company the right to grant Awards under the Plan, provided that such delegation is made in accordance with the provisions of applicable state and federal laws.

Each of the Committee and the Board shall have the authority to adopt, alter and repeal such rules, guidelines and practices governing the Plan as it shall from time to time deem advisable; to interpret the terms and provisions of the Plan and any Award granted under thereunder (and any Grant Documents relating thereto); and to otherwise supervise the administration of the Plan.

Each of the Committee and the Board shall also have the authority to provide, in their discretion, for the rescission, forfeiture, cancellation or other restriction of any Award granted under the Plan, or for the forfeiture, rescission or repayment to the Company by a Participant or former Participant of any profits or gains related to any Award granted hereunder, or other limitations, upon the occurrence of such prescribed events and under such circumstances as the Committee or the Board shall deem necessary and reasonable for the benefit of the Company; provided, however, that this provision shall have no application after a Change in Control Event (as defined below in Section 11) has occurred.

All decisions made by the Committee and the Board pursuant to the provisions of the Plan shall be made in the Committee's or Board's sole discretion and shall be final and binding on all persons including the Company and any Participant. No member of the Committee or Board will be liable for any such action taken or omitted to be taken or determination made in good faith.

Notwithstanding any provision of the Plan to the contrary, the Committee shall have the exclusive authority and discretion to award, administer or otherwise take any action required or permitted to be taken with respect to Qualified Performance-Based Awards or under any provisions of the Plan with respect to Awards that are intended to comply with the requirements of Section 162(m) of the Code.

#### 4. Shares Subject to the Plan.

(a) The total number of Shares ("Total Shares") which may be issued pursuant to the Plan shall not exceed 28,425,000 Shares; provided, that the Total Shares shall be increased to 32,875,000 Shares, subject to the approval of the Company's stockholders within one year of June 21, 2017. Such Shares may consist, in whole or in part, of authorized and unissued shares or treasury shares, as determined in the discretion of the Committee or the Board. Notwithstanding anything to the contrary in this Section 4, in no event will more than the Total Shares be cumulatively available for Awards of Incentive Stock Options under the Plan.

(b) If any Award made under the Plan is forfeited, any Option (and the related Stock Appreciation Right, if any), or any Stock Appreciation Right not related to an Option terminates, expires or lapses without being exercised, or any Stock Appreciation Right is exercised for cash, the Shares subject to such Awards that are, as a result, not delivered to the Participant shall again be available for delivery in connection with Awards. If a Stock Appreciation Right is exercised, the total number of Shares against which the Stock Appreciation Right was measured, not merely the number of Shares issued, will be deemed delivered for purposes of determining the maximum number of Shares available for delivery under the Plan. If the Exercise Price of any Option is satisfied by delivering Shares to the

Company (by either actual delivery or by attestation), the total number of Shares exercised, not merely the number of Shares delivered or attested to, shall be deemed delivered for purposes of determining the maximum number of Shares available for delivery pursuant to Awards under the Plan. To the extent any Shares subject to an Award are not delivered to a Participant because such Shares are used to satisfy an applicable tax withholding obligation, such Shares that are not delivered shall be deemed delivered and shall not thereafter be available for delivery in connection with Awards.

(c) Shares available for issuance or reissuance under the Plan will be subject to adjustment as provided in Section 16 below.

5. Eligible Participants. All Associates shall be eligible to receive Awards and thereby become Participants in the Plan, regardless of such Associate's prior participation in the Plan or any other benefit plan of the Company, provided that (1) only Associates who are employees of the Company or a Subsidiary may receive Incentive Stock Options; and (2) for any Performance Period for which Awards are intended to be Qualified Performance-Based Awards to eligible classes of Associates as set forth in Section 14, the Committee shall designate the Associates eligible to be granted Awards no later than the 90<sup>th</sup> day after the start of the fiscal year (or in the case of a Performance Period based upon a time period other than a fiscal year, no later than the date on which 25% of the Performance Period has elapsed). No executive officer named in the Summary Compensation Table of the Company's then current Proxy Statement shall be eligible to receive in excess of 400,000 Options or Stock Appreciation Rights in any one-year period.

6. Options.

(a) Grant of Options. The Committee, the Board or their authorized designees may from time to time authorize grants of Options to any Participant upon such terms and conditions as the Committee or Board may determine in accordance with the provisions set forth in the Plan. Each grant will specify, among other things, the number of Shares to which it pertains; the Exercise Price; the form of payment to be made by the Participant for the Shares purchased upon exercise of any Option; the required period or periods (if any) of continuous service by the Participant with the Company, a Subsidiary or an Affiliated Company and/or any other conditions to be satisfied before the Options or installments thereof will vest and become exercisable. Options granted under the Plan may be either Non-Qualified Options or Incentive Stock Options.

Notwithstanding any provision of the Plan to the contrary, the aggregate Fair Market Value (as determined on the Date of Grant) of the Common Stock with respect to which Incentive Stock Options granted are exercisable for the first time by any Participant during any calendar year (under all plans of the Company and its Subsidiaries) shall not exceed the maximum amount specified by Section 422 of the Code, as amended from time to time (currently \$100,000).

Each Option granted under this Plan will be evidenced by Grant Documents delivered to the Participant containing such further terms and provisions, not inconsistent with the Plan, as the Committee or Board may approve in their discretion.

(b) Exercise Price.

(i) The Exercise Price for each share of Common Stock purchasable under any Option shall be not less than 100% of the Fair Market Value per share on the Date of Grant as the Committee or Board shall specify. All



such Exercise Prices shall be subject to adjustment as provided for in Section 16 hereof.

(ii) If any Participant to whom an Incentive Stock Option is to be granted under the Plan is on the Date of Grant the owner of stock (as determined under Section 425(d) of the Code) possessing more than 10% of the total combined voting power of all classes of stock of the Company or any one of its Subsidiaries or Affiliated Companies, then the Exercise Price per share of Common Stock subject to such Incentive Stock Option shall not be less than 110% of the Fair Market Value of one Share on the Date of Grant.

- (c) Exercise Period. Subject to Section 11 hereof, the period during which an Option shall vest and become exercisable by a Participant (or his or her representative(s) or transferee(s)) whether during or after employment or following death, retirement or disability (the "Exercise Period") shall be such period of time as may be designated by the Committee or the Board as set forth in the Committee's or Board's applicable rules, guidelines and practices governing the Plan and/or in the Grant Documents executed in connection with such Option. If the Committee or Board provides, in their sole discretion, that any Option is exercisable only in installments, the Committee or Board may waive or accelerate such installment exercise provisions at any time at or after grant in whole or in part, based upon such factors as the Committee or Board shall determine, in their sole discretion.

The maximum duration of any Incentive Stock Option granted under the Plan shall be ten (10) years from the Date of Grant (and no such Incentive Stock Option shall be exercisable after the expiration of such (10) year period), unless the Incentive Stock Option is granted to a Participant who, at the time of the grant, owns stock representing more than 10% of the voting power of all classes of stock of the Company, in which case the term may not exceed five (5) years from the Date of Grant. The duration of Non-Qualified Stock Options shall be for such period as determined by the Committee or Board in its sole discretion, not to exceed ten years.

(d) Exercise of Option. Subject to Section 11 hereof, an Option may be exercised by a Participant at any time and from time to time during the Exercise Period by giving written notice of such exercise to the Company specifying the number of shares of Common Stock to be purchased by the Participant. Such notice shall be accompanied by payment of the Exercise Price in accordance with subsection (e) below.

(e) Payment for Shares. Full payment of the Exercise Price for the Shares purchased upon exercise of an Option, together with the amount of any tax or excise due in respect of the sale and issue thereof, may be made in one of the following forms of payment:

(i) Cash, by check or electronic funds transfer;

(ii) Pursuant to procedures approved by the Company, through the sale (or margin) of Shares acquired upon exercise of the Option through a broker-dealer to whom the Participant has submitted an irrevocable notice of exercise and irrevocable instructions to deliver promptly to the Company the amount of sale (or if applicable margin loan) proceeds sufficient to pay for the Exercise Price, together with, if requested by the Company, the

amount of federal, state, local or foreign withholding taxes payable by reason of such exercise;

(iii) By delivering previously-owned shares of Common Stock owned by the Participant for a period of at least six months having a Fair Market Value on the date upon which the Participant exercises his or her Option equal to the Exercise Price, or by delivering a combination of cash and shares of Common Stock equal to the aggregate Exercise Price;

(iv) By authorizing the Company to withhold a number of shares of Common Stock otherwise issuable to the Participant upon exercise of an Option having an aggregate Fair Market Value on the date upon which the Participant exercises his or her Option equal to the aggregate Exercise Price; or

(v) By any combination of the foregoing.

Provided, however, that the payment methods described in clause (iv) immediately above shall not be available to a Participant without the prior consent of either the Committee or its authorized designee(s), or if at any time the Company is prohibited from purchasing or acquiring Shares under applicable Legal Requirements. The Committee or the Board may permit a Participant to exercise an Option and defer the issuance of any Shares, subject to such rules and procedures as the Committee or Board may establish.

The Company will issue no certificates for Shares until full payment of the Exercise Price has been made, and a Participant shall have none of the rights of a stockholder until certificates for the Shares purchased are issued; provided however, that for purposes of this Section 6, full payment shall be deemed to have been received by the Company upon evidence of delivery to a broker-dealer of the irrevocable instructions contemplated by clause (ii) immediately above.

No dividends, dividend equivalents or other similar payments shall be payable in respect of an unvested Option.

(f) Withholding Taxes. The Company may require a Participant exercising a Non-Qualified Stock Option or Stock Appreciation Right granted hereunder to reimburse the Company (or the entity which employs the Participant) for taxes required by any government to be withheld or otherwise deducted and paid by such corporation in respect of the issuance of the Shares. Such withholding requirements may be satisfied by any one of the following methods:

(i) A Participant may deliver cash in an amount which would satisfy the withholding requirement;

(ii) A Participant may deliver previously-owned Shares (based upon the Fair Market Value of the Common Stock on the date of exercise) in an amount which would satisfy the withholding requirement; or

(iii) With the prior consent of either the Committee or the Board, or its authorized designees, a Participant may request that the Company (or the entity which employs the Participant) withhold from the number of Shares otherwise issuable to the Participant upon exercise of an Option such number of Shares (based upon the Fair Market Value of the Common Stock

on the date of exercise) as is necessary to satisfy the withholding requirement.

(g) Conditions to Exercise of Options. The Committee or the Board may, in their discretion, require as conditions to the exercise of Options or Stock Appreciation Rights and the issuance of shares thereunder either (a) that a registration statement under the Securities Act of 1933, as amended, with respect to the Options or Stock Appreciation Rights and the shares to be issued upon the exercise thereof, containing such current information as is required by the Rules and Regulations under said Act, shall have become, and continue to be, effective; or (b) that the Participant or his or her transferee(s) (i) shall have represented, warranted and agreed, in form and substance satisfactory to the Company, both that he or she is acquiring the Option or Stock Appreciation Right and, at the time of exercising the Option or Stock Appreciation Right, that he or she is acquiring the shares for his/her own account, for investment and not with a view to or in connection with any distribution; (ii) shall have agreed to restrictions on transfer, in form and substance satisfactory to the Company; and (iii) shall have agreed to an endorsement which makes appropriate reference to such representations, warranties, agreements and restrictions both on the option and on the certificate representing the shares.

(h) Use of Proceeds. Proceeds realized from the sale of Common Stock pursuant to Options granted hereunder shall constitute general funds of the Company.

(i) Minimum Vesting Period. The minimum vesting period applicable to any Option shall be one (1) year from the date of grant.

## 7. Stock Appreciation Rights.

(a) When granted, Stock Appreciation Rights may, but need not be, identified with a specific Option (including any Option granted on or before the Date of Grant of the Stock Appreciation Rights) in a number equal to or different from the number of Stock Appreciation Rights so granted. If Stock Appreciation Rights are identified with Shares subject to an Option, then, unless otherwise provided in the applicable Grant Documents, the Participant's associated Stock Appreciation Rights shall terminate upon the expiration, termination, forfeiture or cancellation of such Option or the exercise of such Option.

(b) The Strike Price of any Stock Appreciation Right shall (i) for any Stock Appreciation Right that is identified with an Option, equal the Exercise Price of such Option, or (ii) for any other Stock Appreciation Right, be not less than 100% of the Fair Market Value of a Share of Common Stock on the Date of Grant as the Committee or Board shall specify. The duration of any Stock Appreciation Right shall be for such period as determined by the Committee or Board in its sole discretion, not to exceed ten years.

(c) Subject to Section 11 hereof, (i) each Stock Appreciation Right which is identified with any Option grant shall vest and become exercisable by a Participant as and to the extent, including the minimum vesting period provided in Section 6(i), that the related Option with respect to which such Stock Appreciation Right is identified may be exercised; and (ii) each other Stock Appreciation Right shall vest and become exercisable by a Participant, whether during or after employment or following death, retirement or disability, at such time or times as may be designated by the Committee or Board as set forth in the applicable rules, guidelines and

practices governing the Plan and/or the Grant Documents executed in connection with such Stock Appreciation Right; provided, however, that the minimum vesting period applicable to any such other Stock Appreciation Right shall be one (1) year from the date of grant.

(d) Subject to Section 11 hereof, Stock Appreciation Rights may be exercised by a Participant by delivery to the Company of written notice of intent to exercise a specific number of Stock Appreciation Rights. Unless otherwise provided in the applicable Grant Documents, the exercise of Stock Appreciation Rights which are identified with Shares of Common Stock subject to an Option shall result in the cancellation or forfeiture of such Option to the extent of the exercise of such Stock Appreciation Right.

(e) The benefit to the Participant for each Stock Appreciation Right exercised shall be equal to (i) the Fair Market Value of a Share of Common Stock on the date of exercise, minus (ii) the Strike Price of such Stock Appreciation Right. Such benefit shall be payable in cash, except that the Committee or Board may provide in the applicable rules, guidelines and practices governing the Plan and/or the Grant Documents that benefits may be paid wholly or partly in Shares of Common Stock. No dividends, dividend equivalents or other similar payments shall be payable in respect of an unvested Stock Appreciation Right.

8. Restricted Stock Awards.

(a) Issuance. A Restricted Stock Award shall be subject to restrictions imposed by the Committee or the Board during a period of time specified by the Committee or Board (the "Restriction Period"). Restricted Stock Awards may be issued hereunder to Participants for no cash consideration or for such minimum consideration as may be required by applicable law, either alone or in addition to other Awards granted under the Plan. The provisions of Restricted Stock Awards need not be the same with respect to each Participant.

(b) Restricted Stock.

(i) The Company may grant Restricted Stock to those Associates the Committee or the Board may select in their sole discretion. Each Award of Restricted Stock shall have those terms and conditions that are expressly set forth in or are required by the Plan and the Grant Documents as the Committee or the Board may determine in their discretion.

(ii) While any restriction applies to any Participant's Restricted Stock, (a) the Participant shall receive the proceeds of the Restricted Stock in any stock split, reverse stock split, recapitalization, or other change in the capital structure of the Company, which proceeds shall automatically and without need for any other action become Restricted Stock and be subject to all restrictions then existing as to the Participant's Restricted Stock; (b) the Participant shall be entitled to vote the Restricted Stock during the Restriction Period; and (c) no dividends, dividend equivalents or other similar payments shall be payable in respect of such Restricted Stock.

(iii) The Restricted Stock will be delivered to the Participant subject to the understanding that while any restriction applies to the Restricted Stock, the Participant shall not have the right to sell, transfer, assign, convey, pledge, hypothecate, grant any security interest in or mortgage on, or

otherwise dispose of or encumber any shares of Restricted Stock or any interest therein. As a result of the retention of rights in the Restricted Stock by the Company, except as required by any applicable law, neither any shares of the Restricted Stock nor any interest therein shall be subject in any manner to any forced or involuntary sale, transfer, conveyance, pledge, hypothecation, encumbrance, or other disposition or to any charge, liability, debt, or obligation of the Participant, whether as the direct or indirect result of any action of the Participant or any action taken in any proceeding, including any proceeding under any bankruptcy or other creditors' rights law. Any action attempting to effect any transaction of that type shall be void.

(iv) Unless other provisions are specified in the Grant Documents or Plan guidelines which may be adopted by the Committee or the Board from time to time, any Restricted Stock held by the Participant at the time the Participant ceases to be an Associate for any reason shall be forfeited by the Participant to the Company and automatically re-conveyed to the Company.

(v) The Committee or the Board may withhold, in accordance with Section 17(f) hereof, any amounts necessary to collect any withholding taxes upon any taxable event relating to Restricted Stock.

(vi) The making of an Award of Restricted Stock and delivery of any Restricted Stock is subject to compliance by the Company with all applicable Legal Requirements. The Company need not issue or transfer Restricted Stock pursuant to the Plan unless the Company's legal counsel has approved all legal matters in connection with the delivery of the Restricted Stock.

(vii) The Restricted Stock will be book-entry Shares only unless the Committee or the Board decides to issue certificates to evidence any shares of Restricted Stock. The Company may place stop-transfer instructions with respect to all Restricted Stock on its stock transfer records.

(viii) At the time of grant of Restricted Stock (or at such earlier or later time as the Committee or the Board determines to be appropriate in light of the provisions of Code Section 409A), the Committee or the Board may permit a Participant of an Award of Restricted Stock to defer receipt of his or her Restricted Stock in accordance with rules and procedures established by the Committee or the Board. Alternatively, the Committee or the Board may, in their discretion and at the times provided above, permit an individual who would have been a Participant with respect to an Award of Restricted Stock, to elect instead to receive an equivalent Award of Restricted Stock Units, and the Committee or the Board may permit the Participant to elect to defer receipt of Shares under the Restricted Stock Units in accordance with Section 8(c)(viii).

(ix) The minimum Restriction Period applicable to any Award of Restricted Stock that is not subject to performance conditions restricting the grant size, the transfer of the shares, or the vesting of the award shall be two (2) years from the date of grant; provided, however, that a Restriction Period of less than two (2) years may be approved under the Plan for such Awards with respect to up to a total of 100,000 Shares.

(c) Restricted Stock Units.

(i) The Company may grant Restricted Stock Units to those Associates as the Committee or the Board may select in its sole discretion. Restricted Stock Units represent the right to receive Shares in the future, at such times, and subject to such conditions as the Committee or the Board shall determine. The restrictions imposed shall take into account potential tax treatment under Code Section 409A.

(ii) Until the Restricted Stock Unit is released from restrictions and any Shares subject thereto are delivered to the Participant, the Participant shall not have any beneficial ownership in any Shares subject to the Restricted Stock Unit, nor shall the Participant have the right to sell, transfer, assign, convey, pledge, hypothecate, grant any security interest in or mortgage on, or otherwise dispose of or encumber any Restricted Stock Unit or any interest therein. Except as required by any law, no Restricted Stock Unit nor any interest therein shall be subject in any manner to any forced or involuntary sale, transfer, conveyance, pledge, hypothecation, encumbrance, or other disposition or to any charge, liability, debt, or obligation of the Participant, whether as the direct or indirect result of any action of the Participant or any action taken in any proceeding, including any proceeding under any bankruptcy or other creditors' rights law. Any action attempting to effect any transaction of that type shall be void.

(iii) Upon the lapse of the restrictions, the Participant holder of Restricted Stock Units shall, except as noted below, be entitled to receive, as soon as administratively practical, (a) that number of Shares subject to the Award that are no longer subject to restrictions, (b) cash in an amount equal to the Fair Market Value of the number of Shares subject to the Award that are no longer subject to restrictions, or (c) any combination of Shares and cash, as the Committee or the Board shall determine in their sole discretion, or shall have specified at the time the Award was granted.

(iv) Restricted Stock Units and the entitlement to Shares, cash, or any combination thereunder will be forfeited and all rights of a Participant to such Restricted Stock Units and the Shares thereunder will terminate if the applicable restrictions are not satisfied.

(v) A Participant holder of Restricted Stock Units is not entitled to any rights of a holder of the Shares (e.g., voting rights), prior to the receipt of such Shares pursuant to the Plan. No dividends, dividend equivalents or other similar payments shall be payable in respect of an outstanding Restricted Stock Unit.

(vi) The Committee or the Board may withhold, in accordance with Section 17(f) hereof, any amounts necessary to collect any withholding taxes upon any taxable event relating to any Restricted Stock Units.

(vii) The granting of Restricted Stock Units and the delivery of any Shares is subject to compliance by the Company with all applicable Legal Requirements.

(viii) At the time of grant of Restricted Stock Units (or at such earlier or later time as the Committee or the Board determines to be appropriate in light of the provisions of Code Section 409A), the Committee or the Board may permit a Participant to elect to defer receipt of the Shares or cash to be delivered upon lapse of the restrictions applicable to the Restricted Stock Units in accordance with rules and procedures that may be established from time to time by the Committee or the Board. Such rules and procedures shall take into account potential tax treatment under Code Section 409A, and may provide for payment in Shares or cash.

(ix) The minimum Restriction Period applicable to any Award of Restricted Stock Units shall be one (1) year from the date of grant, provided, however, that a Restriction Period of less than one (1) year may be approved under the Plan for such Awards with respect to up to a total of 100,000 Shares.

#### 9. Performance Awards.

(a) Grant. The Company may grant Performance Awards to Associates on any terms and conditions the Committee or the Board deem desirable. Each Award of Performance Awards shall have those terms and conditions that are expressly set forth in, or are required by, the Plan and the Grant Documents.

(b) Performance Goals. The Committee or the Board may set Performance Goals which, depending on the extent to which they are met during a Performance Period, will determine the number of Performance Shares or Performance Units that will be delivered to a Participant at the end of the Performance Period. The Performance Goals may be set at threshold, target, and maximum performance levels, and the number of Performance Shares or Performance Units to be delivered may be tied to the degree of attainment of the various performance levels specified under the various Performance Goals during the Performance Period, which may not be less than one year. No payment shall be made with respect to a Performance Award if any specified threshold performance level is not attained.

(c) Beneficial Ownership. A Participant receiving a Performance Award shall not have any beneficial ownership in any Shares subject to such Award until Shares are delivered in satisfaction of the Award, nor shall the Participant have the right to sell, transfer, assign, convey, pledge, hypothecate, grant any security interest in or mortgage on, or otherwise dispose of or encumber any Performance Award or any interest therein. Except as required by any law, neither the Performance Award nor any interest therein shall be subject in any manner to any forced or involuntary sale, transfer, conveyance, pledge, hypothecation, encumbrance, or other disposition or to any charge, liability, debt, or obligation of the Participant, whether as the direct or indirect result of any action of the Participant or any action taken in any proceeding, including any proceeding under any bankruptcy or other creditors' rights law. Any action attempting to effect any transaction of that type shall be void.

(d) Determination of Achievement of Performance Awards. The Committee or the Board shall, promptly after the date on which the necessary financial, individual or other information for a particular Performance Period becomes available, determine and certify the degree to which each of the Performance Goals have been attained.

(e) Payment of Performance Awards. After the applicable Performance Period has ended, a recipient of a Performance Award shall be entitled to payment based

on the performance level attained with respect to the Performance Goals applicable to the Performance Award. Performance Awards shall be settled as soon as practicable after the Committee or Board determines and certifies the degree of attainment of Performance Goals for the Performance Period. Subject to the terms and conditions of the Grant Documents, payment to a Participant with respect to a Performance Award may be made (a) in Shares, (b) in cash, or (c) any combination of Shares and cash, as the Committee or the Board may determine at any time in their sole discretion.

(f) Limitation on Rights/Withholding. A recipient of a Performance Award is not entitled to any rights of a holder of the Shares (e.g. voting rights), prior to the receipt of such Shares pursuant to the Plan. No dividends, dividend equivalents or other similar payments shall be payable in respect of an outstanding Performance Award. The Committee or the Board may withhold, in accordance with Section 17(f) hereof, any amounts necessary to collect any withholding taxes upon any taxable event relating to Performance Awards.

10. Other Stock Unit Awards. Other Awards of Shares and other Awards that are valued in whole or in part by reference to, or are otherwise based on, Shares or other property ("Other Stock Unit Awards") may be granted hereunder to Participants, either alone or in addition to other Awards granted under the Plan. Other Stock Unit Awards may be paid in Shares, cash or any other form of property as the Committee or the Board may determine. Subject to the provisions of the Plan, the Committee or the Board shall have sole and complete authority to determine the Associates to whom such Awards shall be made, the times at which such Awards shall be made, the number of Shares to be granted pursuant to such Awards, and all other terms and conditions of such Awards. The provisions of Other Stock Unit Awards need not be the same with respect to each Participant. For any Award or Shares subject to any Award made under this Section 10, the vesting of which is conditioned only on the passage of time, such Restriction Period shall be a minimum of two (2) years for full vesting. Shares (including securities convertible into Shares) subject to Awards granted under this Section 10 may be issued for no cash consideration or for such minimum consideration as may be required by applicable law. No dividends, dividend equivalents or other similar payments shall be payable in respect of an outstanding Other Stock Unit Award.

11. Change in Control. Notwithstanding any other provision of the Plan to the contrary, upon the occurrence of a transaction involving the consummation of a reorganization, merger, consolidation or similar transaction involving the Company (other than a reorganization, merger, consolidation or similar transaction in which the Company's shareholders immediately prior to such transaction own more than 50% of the combined voting power entitled to vote in the election of directors of the surviving corporation), a sale of all or substantially all of its assets, the liquidation or dissolution of the Company, the acquisition of a significant percentage, which shall be no less than beneficial ownership (within the meaning of Rule 13d-3 under the Act) of 20%, of the voting power of the Company, (each a "Change in Control Event"), which shall not include preliminary transaction activities such as receipt of a letter of interest, receipt of a letter of intent or an agreement in principle, each outstanding Award will be treated as the Committee or Board may determine (subject to the provisions of the following paragraph), without a Participant's consent, including, without limitation, that (A) Awards will be assumed, or substantially equivalent Awards will be substituted, by the acquiring or succeeding corporation (or affiliate thereof), with appropriate adjustments as to the number and kind of shares and prices; (B) upon written or electronic notice to a Participant, that the Participant's Awards will terminate upon or immediately prior to the consummation of such Change in Control Event; (C) that, to the extent the Committee or Board may determine, in whole or in part prior to or upon consummation of such Change in Control Event, (i) Options and Stock Appreciation Rights may become immediately exercisable; (ii) restrictions and deferral limitations applicable to any Restricted Stock or Restricted Stock Unit Award may become free of all restrictions and limitations and become fully vested and transferable; (iii) all Performance Awards may be considered to be prorated, and any deferral or other restriction may lapse and such Performance Awards may be immediately settled or distributed (provided, for purposes of clarification, that any Performance Award converted into an Award that provides for service-based vesting will be treated in



accordance with clause (ii) of this subsection 11(C)); and (iv) the restrictions and deferral limitations and other conditions applicable to any Other Stock Unit Awards or any other Awards granted under the Plan may lapse and such Other Stock Unit Awards or such other Awards may become free of all restrictions, limitations or conditions and become fully vested and transferable to the full extent of the Award not previously forfeited or vested; (D) the termination of an Award in exchange for an amount equal to the excess of the fair market value of the Shares subject to the Award immediately prior to the occurrence of such transaction (which shall be no less than the value being paid for such Shares pursuant to such transaction as determined by the Committee or Board) over the Exercise Price or Strike Price, if applicable, of such Award, with such amount payable in cash, in one or more of the kinds of property payable in such transaction, or in a combination thereof, as the Committee or Board in their discretion shall determine, or (E) any combination of the foregoing. In taking any of the actions permitted by this Section 11, the Committee or Board will not be obligated to treat all Awards, all Awards held by a Participant, or all Awards of the same type, similarly. Notwithstanding the definition of Change in Control Event above in this Section 11, to the extent required to avoid the adverse tax consequences under Section 409A of the Code, a Change in Control Event shall be deemed to occur only to the extent it also meets the requirements for a change in control event for purposes of Section 409A of the Code.

In the event that the successor corporation does not assume or substitute for the Award (or portion thereof), (i) Options and Stock Appreciation Rights will vest and become immediately exercisable; (ii) restrictions and deferral limitations applicable to any Restricted Stock or Restricted Stock Unit Award will become free of all restrictions and limitations and become fully vested and transferable; (iii) all Performance Awards will be considered to be prorated, and any deferral or other restriction will lapse and such Performance Awards will be immediately settled or distributed; and (iv) the restrictions and deferral limitations and other conditions applicable to any Other Stock Unit Awards or any other Awards granted under the Plan will lapse and such Other Stock Unit Awards or such other Awards will become free of all restrictions, limitations or conditions and become fully vested and transferable to the full extent of the Award not previously forfeited or vested. In addition, if an Option or Stock Appreciation Right is not assumed or substituted in the event of a Change in Control Event, the Committee or Board will notify the Participant in writing or electronically that the Option or Stock Appreciation Right will be exercisable for a period of time determined by the Committee or Board in its sole discretion, and the Option or Stock Appreciation Right will terminate upon the expiration of such period.

For the purposes of this Section 11, an Award will be considered assumed if, following the Change in Control Event, the Award confers the right to purchase or receive, for each Share subject to the Award immediately prior to the Change in Control Event, the consideration (whether stock, cash, or other securities or property) received in the Change in Control Event by holders of Common Stock for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the Change in Control Event is not solely common stock of the successor corporation or its parent entity, the Committee or Board may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of an Option or Stock Appreciation Right or upon the payout of any other Award, for each Share subject to such Award, to be solely common stock of the successor corporation or its parent entity equal in fair market value to the per share consideration received by holders of Common Stock in the Change in Control Event.

Notwithstanding anything in this Section 11 to the contrary, an Award that vests, is earned or paid-out upon the satisfaction of one or more Performance Goals will not be considered assumed if the Company or its successor modifies any of such Performance Goals without the Participant's consent; provided, however, a modification to such Performance Goals only to reflect the successor corporation's post-Change in Control Event corporate structure will not be deemed to invalidate an otherwise valid Award assumption.

12. Clawback. All Awards granted pursuant to this Plan are subject to the Company's "clawback policy" as may be in effect at the time.

13. Transferability of Awards.

(a) Incentive Stock Options granted under the Plan shall not be transferred by a Participant, except by will or by the laws of descent and distribution.

(b) Other Awards (subject to the limitations in paragraph (c) below) granted under the Plan may be transferred by a Participant to: (i) the Participant's family members (whether related by blood, marriage, or adoption and including a former spouse); (ii) trust(s) in which the Participant's family members have a greater than 50% beneficial interest; (iii) trusts, including but not limited to charitable remainder trusts, or similar vehicles established for estate planning and/or charitable giving purposes; and (iv) family partnerships and/or family limited liability companies which are controlled by the Participant or the Participant's family members, such transfers being permitted to occur by gift or pursuant to a domestic relation order, or, only in the case of transfers to the entities described in clauses (i), (ii) and (iii) immediately above, for value. The Committee or Board, or their authorized designees may, in their sole discretion, permit transfers of Awards to other persons or entities upon the request of a Participant; provided, however, that such Awards may not be transferred to a third party financial institution for value, including as collateral. Subsequent transfers of previously transferred Awards may only be made to one of the permitted transferees named above, unless the subsequent transfer has been approved by the Committee or the Board, or their authorized designee(s). Otherwise, such transferred Awards may be transferred only by will or the laws of descent and distribution.

(c) Notwithstanding the foregoing, if at the time any Option is transferred as permitted under this Section 13, a corresponding Stock Appreciation Right has been identified as being granted in tandem with such Option, then the transfer of such Option shall also constitute a transfer of the corresponding Stock Appreciation Right, and such Stock Appreciation Right shall not be transferable other than as part of the transfer of the Option to which it relates.

(d) Concurrently with any transfer, the transferor shall give written notice to the Plan's then-current Plan administrator of the name and address of the transferee, the number of Shares being transferred, the Date of Grant of the Awards being transferred, and such other information as may reasonably be required by the administrator. Following a transfer, any such Awards shall continue to be subject to the same terms and conditions as were applicable immediately prior to transfer. The provisions of the Plan and applicable Grant Documents shall continue to be applied with respect to the original Participant, and such Awards shall be exercisable by the transferee only to the extent that they could have been exercised by the Participant under the terms of the original Grant Documents. The Company disclaims any obligation to provide notice to a transferee of any termination or expiration of a transferred Award.

14. Code Section 162(m) Provisions and Award Limitations.

(a) Notwithstanding any other provision of the Plan, (i) to the extent Awards to salaried employees (each an "eligible employee" for purposes of Code Section 162(m) and the Treasury Regulations thereunder with regard to stockholder approval of the material terms of the Performance Goals) are intended to be Qualified Performance-Based Awards; or (ii) if the Committee determines at the time any Award is granted to a salaried employee who is, or who may be as of the end of

the tax year in which the Company would claim a tax deduction in connection with such Award, a Covered Associate, then the Committee may provide that this Section 14 is applicable to such Award.

(b) If an Award is subject to this Section 14, then the lapsing of restrictions thereon and the distribution of cash, Shares or other property pursuant thereto, as applicable, shall be subject to the achievement or attainment of one or more objective Performance Goals as determined by the Committee, using one or more Performance Measures also as determined by the Committee. Such Performance Goals shall be established by the Committee no later than 90 days after the beginning of the Performance Period to which the Performance Goals pertain and while the attainment of the Performance Goals is substantially uncertain, and in any event no later than the date on which 25% of the Performance Period has elapsed.

(c) Notwithstanding any provision of this Plan (other than Section 11 or 15), with respect to any Award that is subject to this Section 14, the Committee may adjust downwards, but not upwards, the amount payable pursuant to such Award, and the Committee may not waive the achievement of the applicable Performance Goals except in the case of the death or disability of the Participant.

(d) The Committee shall have the power to impose such other restrictions on Awards subject to this Section 14 as it may deem necessary or appropriate to ensure that such Awards satisfy all requirements for "performance-based compensation" within the meaning of Section 162(m)(4)(C) of the Code, or any successor provision thereto. Whenever the Committee determines that it is advisable to grant or pay Awards that do not qualify as Qualified Performance-Based Awards, the Committee may make grants or payments without satisfying the requirements of Code Section 162(m).

(e) Notwithstanding any provision of this Plan other than Section 16, commencing with calendar year 2005, (i) no Participant may be granted in any twelve (12) month period an aggregate amount of Options and/or Stock Appreciation Rights with respect to more than 400,000 Shares, and (ii) no Participant may be granted in any twelve (12) month period an aggregate amount of Restricted Stock Awards, Restricted Stock Unit Awards, Performance Awards or Other Stock Unit Awards, with respect to more than 400,000 Shares (or cash amounts based on the value of more than 400,000 Shares).

(f) Notwithstanding any provision of this Plan other than Section 16, commencing with calendar year 2015, no director of the Company may be granted in any twelve (12) month period an aggregate amount of equity having a value of more than \$400,000 on the date of grant, under this Plan or any other equity compensation plan sponsored by the Company.

15. Alteration, Termination, Discontinuance, Suspension, and Amendment.

(a) The Committee or the Board may amend, alter, suspend, discontinue or terminate the Plan or any portion thereof at any time; provided that no such amendment, alteration, suspension, discontinuation or termination shall be made without (i) stockholder approval if such approval is necessary to qualify for or comply with any tax or regulatory requirement for which or with which the Committee or Board deems it necessary or desirable to qualify or comply; or (ii) the consent of the affected Participant, if such action would impair the rights of such Participant under any outstanding Award. Notwithstanding anything to the contrary herein, the

Committee or the Board may make technical amendments to the Plan as may be necessary so as to have the Plan conform to any Legal Requirements in any jurisdiction within or outside the United States, so long as stockholder approval of such technical amendments is not required.

(b) The Committee or Board may amend the terms of any outstanding Award, prospectively or retroactively, except to the extent that such action would cause an Award subject to Section 14 not to qualify for the exemption from the limitation on deductibility imposed by Section 162(m)(4)(c) of the Code, and except that no such amendment shall impair the rights of any Participant without his or her consent. Subject to the requirements of paragraph (c) below, the Committee or Board may, without the consent of the Participant, amend any Grant Documents evidencing an Option or Stock Appreciation Right granted under the Plan, or otherwise take action, to accelerate the time or times at which an Option or Stock Appreciation Right may be exercised; to waive any other condition or restriction applicable to an Award or to the exercise of an Option or Stock Appreciation Right; to amend the definition of a change in control of the Company (if such a definition is contained in such Grant Documents) to expand the events that would result in a change in control and to add a change in control provision to such Grant Documents (if such provision is not contained in such Grant Documents); and may amend any such Grant Documents in any other respect with the consent of the Participant.

(c) If an amendment would (i) materially increase the benefits to participants under the Plan, (ii) increase the aggregate number of Shares that may be issued under the Plan, or (iii) materially modify the requirements for participation in the Plan by materially increasing the class or number of persons eligible to participate in the Plan, then such amendment shall be subject to stockholder approval.

(d) If required by any Legal Requirement, any amendment to the Plan or any Award will also be submitted to and approved by the requisite vote of the stockholders of the Company. If any Legal Requirement requires the Plan to be amended, or in the event any Legal Requirement is amended or supplemented (e.g., by addition of alternative rules) to permit the Company to remove or lessen any restrictions on or with respect to an Award, the Board and the Committee each reserve the right to amend the Plan or any Grant Documents evidencing an Award to the extent of any such requirement, amendment or supplement, and all Awards then outstanding will be subject to such amendment.

(e) Notwithstanding any provision of the Plan to the contrary, the Committee or the Board may not, without prior approval of the stockholders of the Company, reprice any outstanding Option and/or Stock Appreciation Rights by either lowering the Exercise Price thereof or canceling such outstanding Option and/or Stock Appreciation Rights in consideration of a grant having a lower Exercise Price or in exchange for awards or cash considerations. This paragraph 15(e) is intended to prohibit the repricing of "underwater" Options without prior stockholder approval and shall not be construed to prohibit the adjustments provided for in Section 16 hereof.

(f) The Plan may be terminated at any time by action of the Board. The termination of the Plan will not adversely affect the terms of any outstanding Award.

16. Adjustment of Shares; Effect of Certain Transactions. Notwithstanding any other provision of the Plan to the contrary, in the event of any change affecting the Shares subject to the Plan or any Award (through merger, consolidation, reorganization, recapitalization, dividend or other distribution (whether in the form of cash, Shares, other securities or other property), stock split, split-up, split-off, spin-off, combination

of shares, exchange of shares, issuance of rights to subscribe, or other change in capital structure of the Company), appropriate adjustments or substitutions shall be made by the Committee or the Board as to the (i) Total Shares subject to the Plan, (ii) maximum number of Shares for which Awards may be granted to any one Associate, (iii) number of Shares and price per Share subject to outstanding Awards, and (iv) class of shares of stock that may be delivered under the Plan and/or each outstanding Award, as shall be equitable to prevent dilution or enlargement of rights under previously granted Awards. The determination of the Committee or Board as to these matters shall be conclusive; provided, however, that (i) any such adjustment with respect to an Incentive Stock Option and any related Stock Appreciation Right shall comply with the rules of Section 424(a) of the Code; and (ii) in no event shall any adjustment be made which would disqualify any Incentive Stock Option granted hereunder as an Incentive Stock Option for purposes of Section 422 of the Code.

17. General Provisions.

(a) No Associate or Participant shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of Associates or Participants under the Plan.

(b) Except to the extent that such action would cause an Award subject to Section 14 not to qualify for the exemption from the limitation on deductibility imposed by Section 162(m)(4)(c) of the Code, the Committee or Board shall be authorized to make adjustments in performance award criteria or in the terms and conditions of other Awards in recognition of unusual or nonrecurring events affecting the Company or its financial statements or changes in applicable laws, regulations or accounting principles. The Committee or Board may correct any defect, supply any omission, or reconcile any inconsistency in the Plan or any Award in the manner and to the extent it shall deem desirable to carry it into effect. In the event the Company shall assume outstanding employee benefit awards or the right or obligation to make future such awards in connection with the acquisition of or combination with another corporation or business entity, the Committee or Board may, in their discretion, make such adjustments in the terms of Awards under the Plan as it shall deem appropriate.

(c) All certificates for Shares delivered under the Plan pursuant to any Award shall be subject to such stock transfer orders and other restrictions as the Committee or 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 state or Federal securities law, and the Committee or Board may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

(d) No Award granted hereunder shall be construed as an offer to sell securities of the Company, and no such offer shall be outstanding, unless and until the Committee or the Board in their sole discretion has determined that any such offer, if made, would be in compliance with all applicable requirements of the U.S. Federal securities laws and any other Legal Requirements to which such offer, if made, would be subject.

(e) The Committee or the Board shall be authorized to establish procedures pursuant to which the payment of any Award may be deferred.

(f) The Company shall be authorized to withhold from any Award granted or payment due under the Plan the amount of withholding taxes due in respect of an Award or payment hereunder and to take such other action as may be necessary

in the opinion of the Plan administrator to satisfy all obligations for the payment of such taxes, not to exceed the statutory minimum withholding obligation. The Committee or Board shall be authorized to establish procedures for election by Participants to satisfy such obligations for the payment of such taxes (i) by delivery of or transfer of Shares to the Company, (ii) with the consent of the Committee or the Board, by directing the Company to retain Shares otherwise deliverable in connection with the Award, (iii) by payment in cash of the amount to be withheld, or (iv) by withholding from any cash compensation otherwise due to the Participant.

(g) Nothing contained in this Plan shall prevent the Board from adopting other or additional compensation arrangements, subject to stockholder approval if required, and such arrangements may be either generally applicable or applicable only in specific cases.

(h) The validity, construction, and effect of the Plan and any rules and regulations relating to the Plan shall be determined in accordance with the laws of the state of Delaware and applicable Federal law.

(i) If any provision of this Plan is or becomes or is deemed invalid, illegal or unenforceable in any jurisdiction, or would disqualify the Plan or any Award under any law deemed applicable by the Committee or the Board, such provision shall be construed or deemed amended to conform to applicable law, or if it cannot be construed or deemed amended without, in the determination of the Committee or the Board, materially altering the intent of the Plan, it shall be stricken, and the remainder of the Plan shall remain in full force and effect.

(j) Awards may be granted to Participants who are foreign nationals or employed outside the United States, or both, on such terms and conditions different from those applicable to Awards to Employees employed in the United States as may, in the judgment of the Committee or the Board, be necessary or desirable in order to recognize differences in local law or tax policy. The Committee or Board also may impose conditions on the exercise or vesting of Awards in order to minimize the Company's obligations with respect to tax equalization for Associates on assignments outside their home country.

(k) No Award shall be granted or exercised if the grant of the Award or the exercise and the issuance of shares or other consideration pursuant thereto would be contrary to the Legal Requirements of any duly constituted authority having jurisdiction.

(l) The Plan will not confer upon any Participant any right with respect to continuance of employment or other service with the Company or any Subsidiary or Affiliated Company, nor will it interfere in any way with any right the Company or any Subsidiary or Affiliated Company would otherwise have to terminate a Participant's employment or other service at any time.

(m) Employees and directors of the Company and its Subsidiaries who are based in the United Kingdom may be granted Awards pursuant to the terms of the UK Addendum. Grants made pursuant to the UK Addendum shall be subject to the terms and conditions of the Plan, unless otherwise provided in the UK Addendum.

## Schedule A

### UK Addendum

#### 1. Purpose and eligibility

The purpose of this addendum to the Plan (the "**UK Addendum**") is to enable the Board to grant Awards to certain employees and directors of Acxiom Corporation (the "**Company**") and its Subsidiaries who are based in the United Kingdom. Awards (which will be unapproved for UK tax purposes) may only be granted under the UK Addendum to employees and directors of the Company and its Subsidiaries. Awards granted pursuant to the UK Addendum are granted pursuant to an "**employees' share scheme**" for the purposes of the Financial Services and Markets Act 2000.

#### 2. Definitions

Definitions are as contained in Section 2 of the Plan, with the following additions, amendments or substitutions:

- (a) The definition of "**Associate**" shall be deleted and the word "**Employee**" shall be substituted therefor throughout the Plan.
- (b) "**Control**" (for the purposes of the definition of "**Subsidiary**", below) has the meaning contained in section 995 Income Tax Act 2007.
- (c) "**Employee**" shall mean any employee or director of the Company or its Subsidiaries.
- (d) "**HMRC**" means the UK HM Revenue & Customs.
- (e) "**ITEPA**" means the Income Tax (Earnings and Pensions) Act 2003.
- (f) "**PAYE**" means the UK Pay-As-You-Earn income tax withholding system governed by the Income Tax (PAYE) Regulations 2003.
- (g) "**Service**" means service as an Employee, subject to such further limitations as may be set forth in the applicable Stock Option Agreement or Restricted Share Agreement. Service shall be deemed to continue during a bona fide leave of absence approved by the Company in writing if and to the extent that continued crediting of Service for purposes of the Plan is expressly required by the terms of such leave or by applicable law, as determined by the Company. The Company determines which leaves count toward Service, and when Service terminates for all purposes under the Plan.
- (h) The definition of "**Subsidiary**" shall be restated in its entirety as follows: "**Subsidiary**" shall mean a company (wherever incorporated) which for the time being is under the Control of the Company.

#### 3. Terms

Awards granted pursuant to the UK Addendum shall be governed by the terms of the Plan, subject to any such amendments set out below and as are necessary to give effect to Section 1 of the UK Addendum, and by the terms of the individual Award Agreement entered into between the Company and the Participant.

#### 4. Participation

For the purpose of granting awards pursuant to the Plan to UK Employees only, the Plan shall be amended by the substitution of the word "Employee" for the word "Associate" throughout.

#### 5. Non-transferability of Awards

An Award granted pursuant to the UK Addendum may not be transferred other than by the laws of intestacy on death of the Participant.

## 6. Withholding obligations

6.1 The Participant shall be accountable for any income tax and, subject to the following provisions, national insurance liability which is **chargeable** on any assessable income deriving from the exercise of, or other dealing in, the Award. In respect of such assessable income the Participant shall indemnify the Company and (at the direction of the Company) any Subsidiary which is or may be treated as the employer of the Participant in respect of the following (together, the "**Tax Liabilities**"):

- (a) any income tax liability which falls to be paid to HMRC by the Company (or the relevant employing Subsidiary) under the PAYE system as it applies to income tax under ITEPA and the PAYE regulations referred to in it; and
- (b) any national insurance liability which falls to be paid to HMRC by the Company (or the relevant employing Subsidiary) under the PAYE system as it applies for national insurance purposes under the Social Security Contributions and Benefits Act 1992 and regulations referred to in it, such national insurance liability being the aggregate of:
  - (i) all the Employee's primary Class 1 national insurance contributions; and
  - (ii) all the employer's secondary Class 1 national insurance contributions.

6.2 Pursuant to the indemnity referred to in clause 6.1, the Participant shall make such arrangements as the Company requires to meet the cost of the Tax Liabilities, including at the direction of the Company any of the following:

- (a) making a cash payment of an appropriate amount to the relevant company whether by cheque, banker's draft or deduction from salary in time to enable the company to remit such amount to HMRC before the 14th day following the end of the month in which the event giving rise to the Tax Liabilities occurred; or
- (b) appointing the Company as agent and/or attorney for the sale of sufficient Shares acquired pursuant to the exercise of, or other dealing in, the Award to cover the Tax Liabilities and authorising the payment to the relevant company of the appropriate amount (including all reasonable fees, commissions and expenses incurred by the relevant company in relation to such sale) out of the net proceeds of sale of the Shares;
- (c) entering into an election whereby the employer's liability for secondary Class 1 national insurance contributions is transferred to the Participant on terms set out in the election and approved by HMRC.

## 7. Section 431 Election

Where the Shares to be acquired on the exercise of, or other dealing in, the Award are considered to be "restricted securities" for the purposes of the UK tax legislation (such determination to be at the sole discretion of the Company), it is a condition of exercise or acquisition of the Shares that the Participant if so directed by the Company enter into a joint election with the Company or, if different, the relevant Subsidiary employing the Participant pursuant to section 431 ITEPA electing that the market value of the Shares to be acquired on the exercise of, or other dealing in, the Award be calculated as if the Shares were not "**restricted securities**".

Adopted by the Compensation Committee on  
February 14, 2012



**ACXIOM CORPORATION**  
**AMENDED AND RESTATED**  
**2010 EXECUTIVE OFFICER SEVERANCE POLICY**

**SECTION 1**

**PURPOSE**

The purpose of the Policy is to provide Severance Benefits for the Executive Officers of the Company.

**SECTION 2**

**DEFINITIONS**

As used herein, the following words and phrases shall have the following meanings:

2.1 “Actual Cash Bonus” shall mean a cash bonus payment based on the extent to which the performance goals relating to such bonus are ultimately achieved, pro-dated based on the portion of the Fiscal Year the Participant worked for the Company.

2.2 “Affiliate” shall mean, with respect to any person or entity, any entity directly or indirectly controlled by, controlling or under common control with such person or entity. Notwithstanding the foregoing, for purposes of determining whether an Executive Officer has had a Separation from Service, Section 1.409A-1(h)(3) of the Treasury Regulations shall determine whether an Affiliate is a “service recipient” under Code Section 409A.

2.3 “Annual Salary Amount” shall mean a Participant’s annual base salary in effect on the Termination Date (or in the case of a Change in Control Termination, if greater, immediately before any reduction in such base salary giving rise to Good Reason), without reduction for any pre-tax contributions to benefit plans or state or federal taxes. Base salary does not include bonuses, commissions, premium pay, cost of living allowances or income from stock options, stock grants or other incentives.

2.4 “Average Annual Cash Bonus” shall mean the average annual cash bonus for the two Fiscal Years preceding the Termination Date. . In the event a Participant has not been employed or otherwise eligible for a full Fiscal Year cash bonus payment in either or both of the two preceding Fiscal Years, 100% of the Participant’s cash bonus opportunity shall be substituted for the applicable year(s) in determining the Average Annual Cash Bonus.

2.5 “Board” shall mean the Board of Directors of the Company.

2.6 “Cash Severance Benefit” shall mean any severance benefit paid in cash due to a Qualifying Separation from Service in accordance with the terms of the Policy.

2.7 “Cause” for termination by the Company of the Participant’s employment shall mean: (i) the willful failure by Participant to substantially perform his or her duties or follow the reasonable and lawful instructions of his or her supervisor; provided, that the Participant will be allowed to cure such failure within thirty (30) days of delivery to the Participant by the Company of written demand for performance, which such written demand will specifically identify the manner in which the Company believes he or she has not substantially performed his duties; (ii) the engaging by

the Participant in willful misconduct, or the Participant's gross negligence, that is materially injurious to the Company, monetarily or otherwise; (iii) the conviction of, or pleading guilty or nolo contendere to, any felony or a fraud; or (iv) the Participant's material breach of the provisions of this Policy or of any material employment policy of the Company, which, if curable, is not cured within thirty (30) days of delivery to the Participant by the Company of written notice thereof.

2.8 "Change in Control" shall mean the occurrence during the term of the Policy of any one of the following events:

(i) An acquisition of any securities of the Company entitled to vote generally in the election of directors (the "Voting Securities") by any "person" (as the term person is used for purposes of Sections 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the "1934 Act")) immediately after which such person has "Beneficial Ownership" (within the meaning of Rule 13d-3 promulgated under the 1934 Act) of thirty percent (30%) or more of the combined voting power of the then outstanding Voting Securities; provided, however, that in determining whether a Change in Control has occurred, Voting Securities that are acquired in a "Non-Control Acquisition" will not constitute an acquisition that would cause a Change in Control. A "Non-Control Acquisition" will mean (i) an acquisition by an employee benefit plan (or a trust forming a part thereof) maintained by (A) the Company or (B) any corporation or other person of which a majority of its voting power or its equity securities or equity interest is owned directly or indirectly by the Company (a "Subsidiary"), (ii) any acquisition by or directly from the Company or any Subsidiary, or (iii) an acquisition pursuant to a Non-Qualifying Transaction (as defined in Section 2.6(iii) below);

(ii) The individuals who, on the Effective Date, constitute the Board of Directors of the Company (the "Incumbent Directors") cease for any reason to constitute at least a majority of such board, provided that, any person becoming a director after the Effective Date and whose election or nomination for election was approved by a vote of at least a majority of the Incumbent Directors then on the Board of Directors will be an Incumbent Director; provided however, that no individual initially elected or nominated as a director of the Company as a result of an actual or threatened election contest with respect to the election or removal of directors ("Election Contest") or other actual or threatened solicitation of proxies or consents by or on behalf of any "person" (such term for purposes of this definition being as defined in Section 3(a)(9) of the 1934 Act and as used in Section 13(d)(3) and 14(d)(2) of the 1934 Act) other than the Board of Directors ("Proxy Contest"), including by reason of any agreement intended to avoid or settle any Election Contest or Proxy Contest, will be deemed an Incumbent Director; or

(iii) Consummation of a reorganization, merger, consolidation, statutory share exchange or similar form of corporate transaction involving the Company (a "Reorganization"), or the sale or other disposition of all or substantially all of the Company's assets (a "Sale") or the acquisition of assets or stock of another corporation (an "Acquisition"), unless immediately following such Reorganization, Sale or Acquisition:

(A) The stockholders of the Company immediately before such Reorganization, Sale or Acquisition, beneficially own, directly or indirectly, immediately following such Reorganization, Sale or Acquisition, more than fifty percent (50%) of the combined voting power of the outstanding Voting Securities of the Company resulting from such Reorganization, Sale or Acquisition (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets or stock either directly or through one or more subsidiaries, the "Surviving Corporation") in substantially the same proportion as their ownership of the Voting Securities immediately before such Reorganization, Sale or Acquisition;

(B) The individuals who were members of the Incumbent Board immediately before the execution of the agreement providing for such Reorganization, Sale or Acquisition constitute at least a majority of the members of the board of directors of the Surviving Corporation; and

(C) No person (other than the Company, any Subsidiary, any employee benefit plan (or any trust forming a part thereof) maintained by the Company, the Surviving Corporation or any Subsidiary, or any person who, immediately before such Reorganization, Sale or Acquisition, had Beneficial Ownership of thirty percent (30%) or more of the then outstanding Voting Securities), has Beneficial

Ownership of thirty percent (30%) or more of the combined voting power of the Surviving Corporation's then outstanding Voting Securities;

Any Reorganization, Sale or Acquisition which satisfies all of the criteria specified in subparts (A), (B) and (C) of this Section 2.6(iii) above will be deemed to be a "Non-Qualifying Transaction." Notwithstanding the foregoing, a "Change in Control" will not be deemed to occur solely because any Person (the "Subject Person") acquired Beneficial Ownership of more than the permitted amount of the outstanding Voting Securities of the Company as a result of the acquisition of Voting Securities by the Company which, by reducing the number of Voting Securities outstanding, increased the proportional number of shares Beneficially Owned by the Subject Person.

(iv) Approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

Notwithstanding the foregoing, to the extent that (i) any payment under this Policy is payable solely upon or following the occurrence of a Change in Control and (ii) such payment is treated as "deferred compensation" for purposes of Code Section 409A, a Change in Control shall mean a "change in the ownership of the Company," a "change in the effective control of the Company," or a "change in the ownership of a substantial portion of the assets of the Company" as such terms are defined in Section 1.409A-3(i)(5) of the Treasury Regulations.

2.9 "Change in Control Termination" shall mean a Participant's Separation from Service (i) initiated by the Company other than for Cause within the two years following a Change in Control or (ii) initiated by the Participant for Good Reason within two years following a Change in Control.

2.10 "Code" shall mean the Internal Revenue Code of 1986, as amended.

2.11 "Company" shall mean Acxiom Corporation and successors and, when used in relation to the Participant's employment includes all wholly owned subsidiaries of Acxiom Corporation. For purposes of this Policy, the terms "employ," "employee" and "employment" shall be construed to refer to the provision of services by the Participant to the Company, irrespective of whether the Participant is classified as an employee of the Company under the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder. Notwithstanding the foregoing, for purposes of determining whether an Executive Officer has had a Separation from Service, Section 1.409A-1(h)(3) of the Treasury Regulations shall determine whether a subsidiary is a "service recipient" under Code Section 409A.

2.12 "Effective Date" of the Policy is November 9, 2010 and as amended herein on May 20, 2014.

2.13 "Equity Severance Benefit" shall mean any benefit resulting in the vesting of outstanding non-qualified stock options, restricted stock, restricted stock units or any other equity award (other than Performance Units) granted by the Company, due to a Qualifying Separation from Service in accordance with the terms of the Policy.

2.14 "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder.

2.15 "Executive Officer" shall mean as of a particular day, the officers of the Company designated as executive officers for purposes of Section 16 of the Securities Exchange Act of 1934 most recently by the Board, other than any "executive officer" who has an employment agreement with the Company that is in effect on that day.

2.16 "Fiscal Year" shall mean the period of time from April 1 of one year to March 31 of the following year and which is the annual period used by the Company for financial reporting purposes.

2.17 “Good Reason” for a Participant’s Separation from Service shall mean the occurrence (without the Participant’s express written consent) of any one of the following acts by the Company, or failures by the Company to act, following the occurrence of a Change in Control:

(i) a reduction by the Company in the Participant’s title or position, or a material reduction by the Company in the Participant’s authority, duties or responsibilities, or the assignment by the Company to the Participant of any duties or responsibilities that are materially inconsistent with such title, position, authority, duties or responsibilities; (ii) a reduction in Annual Salary Amount; or (iii) the Company’s requiring the Participant to relocate his office location more than fifty (50) miles from his office location at the time of the Change in Control. For avoidance of doubt, “Good Reason” will exclude the death or Permanent Disability of the Participant.

Notwithstanding the foregoing, the occurrence of an event that would otherwise constitute Good Reason hereunder shall cease to be an event constituting Good Reason if (i) the Participant fails to provide the Company with notice of the occurrence of any of the foregoing within the ninety-day period immediately following the occurrence of such event, (ii) the Participant fails to provide the Company with a period of at least thirty days from the date of such notice to cure such event prior to providing a Notice of Termination for Good Reason or (iii) the Termination Date specified in the Notice of Termination delivered to Company is not within thirty days following the day on which the thirty-day period set forth in the preceding clause (ii) expires; provided, that the thirty-day notice period required by clause (ii) shall end two days prior to the second anniversary of the Change in Control in the event that the second anniversary of the Change in Control would occur during such thirty-day period.

2.18 “Notice of Termination” shall mean a notice that indicates the specific provisions in this Policy relied upon as the basis for any Separation from Service and sets forth in reasonable detail the facts and circumstances claimed to provide a basis for a Participant’s Separation from Service under the provision so indicated. No purported Separation from Service with or without Cause or for Good Reason shall be effective without a Notice of Termination.

2.19 “Participants” shall mean Executive Officers of the Company who meet the eligibility requirements of Section 3 of the Policy.

2.20 “Performance Unit” shall mean any equity incentive awards granted by the Company to Executive Officers that are earned based upon achievement of performance measures during a performance period as defined by the accompanying grant documents.

2.21 “Performance Unit Benefit” shall mean any benefits payable for earned or unearned, unvested Performance Units in accordance with the terms of this Policy.

2.22 “Permanent Disability” shall mean (i) that a Participant is eligible to receive long-term disability benefits under the disability plan in which the Participant participates as of the Termination Date, or (ii) if there is no such plan as of the Termination Date, that the Participant has been substantially unable to perform his or her duties, services and responsibilities to the Company, with a reasonable accommodation if necessary, by reason of a physical or mental infirmity for 180 consecutive days, or for a total of 180 days or more in any consecutive 360 day period as certified by a physician selected by the Policy Administrator.

2.23 “Policy” shall mean the Acxiom Corporation, Inc. 2010 Executive Severance Policy as set forth in this document.

2.24 “Policy Administrator” shall mean the Compensation Committee of the Board or other person or group designated by the Company to serve as Policy Administrator.

2.25 “Qualifying Separation from Service” shall mean a Participant’s Separation from Service that (i) is involuntary and initiated by the Company without Cause at any time other than during the period specified in the Change in Control Termination definition; or (ii) meets the definition of a Change in Control Termination. For the avoidance of doubt, a Separation from Service will not constitute a Qualifying Separation from Service and no Severance Benefits shall be payable to a Participant should the Participant’s Separation from Service be (a) initiated by the Company for Cause, (b) by reason of Permanent Disability, (c) by reason of the Participant’s death, or (d) initiated by the Participant; provided, however, that in the case of a Change in Control Termination, a Separation from Service initiated by the Participant for Good Reason will be considered a Qualifying Separation from Service.

2.26 “Release of Claims” shall mean the agreement that a Participant must execute in order to receive Severance Benefits under the Policy, which shall be approved by the Policy Administrator and shall contain, among such other terms and conditions determined by the Policy Administrator, typical post separation terms and a mutual general release of: (i) all claims that the Participant may have against the Company and any of its Affiliates relating to the employment and termination of employment of the Participant, including, but not limited to, any claims for bonus payments pursuant to the Company’s bonus plan or otherwise and (ii) all claims that the Company and any of its Affiliates may have against the Participant relating to the employment and termination of employment of the Participant, excluding any claim arising from Participant’s contractual obligations or restrictions (whether contained herein, in equity grant agreements, or elsewhere) that are intended to extend beyond the termination of employment (including, but not limited to, non-competition, non-solicitation, confidentiality and clawback provisions) and any matters relating to a violation of law or that could otherwise result in Company liability. The Release of Claims will also contain an agreement by the Participant to be bound by the terms of Section 4.5 hereof.

2.27 “Separation from Service” shall mean an Executive Officer’s cessation of services to the Company and/or its Affiliates. For purposes of this Policy, an Executive Officer is treated as continuing in employment with the Company while the Executive Officer is on military leave, sick leave, or other bona fide leave of absence if the period of such leave does not exceed six months, or if longer, so long as the Executive Officer retains a right to reemployment with the Company under an applicable statute or by contract. A leave of absence shall constitute a bona fide leave of absence only if there is (i), to the extent applicable, a right to reemployment under an applicable statute or by contract or (ii) a reasonable expectation an Executive Officer will return to perform services for the Company following such leave. For purposes of this Policy and the application of Section 409A, if the period of leave exceeds six months and an Executive Officer does not retain a right to reemployment under an applicable statute or by contract, the Executive Officer will be deemed to have a Separation from Service on the first date immediately following such six-month period. For purposes of this Policy, an Executive Officer shall be deemed to have experienced a Separation from Service on any date that it is reasonably anticipated that the Executive Officer would perform no further services or that the Executive Officer’s level of bona fide services performed for the Company will decrease to a level equal to twenty percent or less of the average level of services rendered by the Executive Officer during the thirty-six-month period ending on such date or the full period of services rendered by the Executive Officer for the Company if the Executive Officer has been providing services to the Company for less than thirty-six months as of such date. Whether a Separation from Service has occurred will be determined in accordance with Treasury Regulation 1.409A-1(h), or any successor thereto.

2.28 “Severance Benefits” shall mean one or more of the following as provided by the Policy following a Qualifying Separation from Service: (i) Cash Severance Benefit, (ii) Equity Severance Benefit or (iii) Performance Unit Benefit.

2.29 “Severance Delay Period” shall mean the period beginning on the Termination Date and ending on the thirtieth day thereafter. Notwithstanding the foregoing, in the event that the Participant’s Separation from Service occurs in connection with an exit incentive program or other employment termination program offered to a group or class of

employees, as defined under the Older Worker Benefit Protection Act, 29 U.S.C. Section 626, the Severance Delay Period shall mean the period beginning on the Termination Date and ending on the sixtieth day thereafter.

2.30 "Termination Date" shall mean the date of a Participant's Separation from Service with the Company as determined in accordance with Section 5.

### **SECTION 3**

#### **ELIGIBILITY**

3.1 Commencement of Participation. Each Executive Officer shall automatically be a Participant in the Policy as of the Effective Date. Each individual who is designated by the Board as an Executive Officer following the Effective Date shall automatically be a Participant in the Policy as of the date of such designation. As a condition to any Executive Officer's participation in the Policy he or she must acknowledge termination of any other employment agreements or severance arrangements with the Company. Additionally, the Policy Administrator may require as a condition of participation or continued participation that any Participant execute documents agreeing to be bound by any clawback policy adopted by the Board from time to time.

3.2 Duration of Participation.

(a) A Participant shall cease to be a Participant if he or she ceases to be an Executive Officer. To avoid any doubt, the Board shall have full discretion to add or remove Executive Officers.

(b) A Participant entitled to Severance Benefits under the terms of this Policy shall remain a Participant in the Policy until the full amount of the Severance Benefits have been paid to him or her, subject to the Restrictions provided in Section 4.5.

3.3 Eligibility for Severance Benefits.

(a) Subject to Section 3.3(b), a Participant shall be entitled to receive Severance Benefits from the Company as specified in Section 4.

(b) No Severance Benefits will be provided to a Participant unless the Participant has properly executed and delivered to the Company a Release of Claims and that Release of Claims has become irrevocable as provided therein prior to the expiration of the Severance Delay Period. Such Release of Claims shall not be accepted by the Company unless it is executed on or after the Participant's Termination Date.

(c) Subject to Section 1.409A – 1(h)(3) of the Treasury Regulations, for purposes of determining a Participant's and the Company's rights and obligations under the Policy, the transfer of employment of a Participant from the Company to one of its Affiliates, or from such an Affiliate to the Company, in each case whether before or after the Change in Control, shall not constitute a Separation from Service for purposes of the Policy.

(d) To the extent consistent with Code Section 409A, a participant is not entitled to any Severance Benefits if his or her employment is terminated by the Company in connection with a sale, divestiture, or other disposition of all or a portion of the stock or assets of the Company or any of its Affiliates that does not constitute a Change in Control (a

“Transaction”) if: (i) the Participant is offered a position with the counterparty to the Transaction (or an Affiliate of such counterparty); and (ii) the Policy Administrator determines that the cash compensation to be provided to the Participant in such position is comparable to the Participant’s then current cash compensation. For clarification purposes, this Section 3.3(d) is intended solely to limit, and not to expand, the benefits provided for elsewhere in this Policy.

#### 3.4 Death of a Participant.

If a Participant whose employment terminates in a Qualifying Separation from Service dies after his or her Termination Date but before the Participant receives the Severance Benefits to which he or she is entitled, the payment will be made to the Participant’s surviving spouse or, if the Participant does not have a surviving spouse, to the Participant’s estate; *provided, however*, that no Severance Benefit will be paid pursuant to this Section 3.4 unless the surviving spouse or the executor of the Participant’s estate, or any or all of the foregoing, upon the request of the Policy Administrator, properly execute and deliver to the Company a Release of Claims on behalf of the Participant that has become irrevocable as provided therein prior to the expiration of the Severance Delay Period.

### SECTION 4

#### BENEFITS

##### 4.1 Qualifying Separation from Service Other Than a Change in Control Termination.

(a) In the event a Participant has a Qualifying Separation from Service other than a Change in Control Termination, and the Policy Administrator determines that he or she is entitled to a Cash Severance Benefit, such Participant will be eligible to receive a Cash Severance Benefit in an amount equal to such Participant’s Annual Salary Amount, Average Annual Cash Bonus, and Actual Cash Bonus..

(b) Notwithstanding anything contained in any equity plan or grant documents, in the event Participant has a Qualifying Separation from Service other than a Change in Control Termination, and the Policy Administrator determines that he or she is entitled to a Performance Unit Benefit, such Participant will be eligible to receive: (i) the number of Performance Units, if any, that were earned during a completed performance period but remain unvested, multiplied by a fraction, the numerator of which is the full number of calendar months that elapsed between the beginning of the performance period and the Termination Date and the denominator of which is the number of months between the beginning of the performance period and when the award would fully vest and no longer be subject to forfeiture; (ii) the number of Performance Units, if any, for performance periods that are ongoing as of the Termination Date and for which at least one-year of the performance period has elapsed as of the Termination Date, multiplied by a fraction, the numerator of which is the full number of calendar months that elapsed between the beginning of the performance period and the Termination Date and the denominator of which is the number of months between the beginning of the performance period and when the award would fully vest and no longer be subject to forfeiture, with the settlement of such performance units to occur after the completion of the applicable performance period based upon the Company’s actual performance as determined following the completion of the applicable performance periods in accordance with the terms of the Performance Unit grant documents.

##### 4.2 Change in Control and Performance Unit Benefit.

In the event of a Change in Control, whether or not accompanied by a Qualifying Separation from Service, if the Policy Administrator determines that a Participant is entitled to a Performance Unit Benefit, unless provided otherwise in the applicable grant documents underlying the Performance Units, the applicable performance period (as set forth in the applicable grant documents) will be truncated to end on the date of such Change in Control (such

date, the “Change in Control End Date”), and a number of Performance Units will become eligible to vest (the “Eligible PSUs”) based on the degree of achievement of performance objectives (as set forth in the applicable grant documents) as of the Change in Control Date. Eligible PSUs will be treated as unvested restricted stock units, and if assumed or substituted for by the acquiring or surviving entity (or an affiliate of such entity) in accordance with the terms of the definitive agreements relating to the Change in Control (the “Definitive Agreements”), will convert into restricted stock units (or other compensatory arrangements) of equal value to be settled in cash or shares (determined in accordance with the Definitive Agreements) by the acquiring or surviving entity (or an affiliate of such entity), as applicable (the “Assumed Eligible PSUs”). In the event the Participant remains employed with the acquiring or surviving entity (or an affiliate of such entity), as applicable, through the end of the applicable performance period (such date, the “Performance Period End Date”), the Assumed Eligible PSUs will become fully vested and will be settled within thirty (30) days of the Performance Period End Date. Subject to the vesting acceleration set forth in Section 4.3(b), in the event the Participant’s employment terminates for any reason before the Performance Period End Date, the Participant’s Assumed Eligible Performance Units will be immediately forfeited.

#### 4.3 Change in Control Termination.

(a) In the event of a Change in Control Termination, if the Policy Administrator determines that a Participant is entitled to a Cash Severance Benefit, such Participant will be eligible to receive an amount of cash equal to Participant’s Actual Cash Bonus, one and one half times such Participant’s Annual Salary Amount and one and one half times such Participant’s Average Annual Cash Bonus. Notwithstanding the forgoing, any reduction in the Annual Salary Amount taken by the Company or any of its Affiliates that (i) forms a basis of a Participant’s Separation from Service for Good Reason or (ii) is taken following the provision of a Notice of Termination and would constitute Good Reason shall be disregarded in calculating the payments and benefits to be provided pursuant to this Section 4.3.

(b) In the event of a Change in Control Termination, a Participant’s unvested outstanding non-qualified stock options, restricted stock, restricted stock units and any other equity awards (including Assumed Eligible PSUs, but excluding any other Performance Units, if applicable) granted prior to the date of the Change in Control and outstanding as of the Termination Date (“Stock Awards”) shall vest, notwithstanding anything to the contrary in any equity incentive plan or agreement, including without limitation, the 2005 Equity Plan, or the related award agreements. Stock Awards shall include any awards covering the securities of a successor company and any rights to cash of an equivalent value (as of the Change in Control) substituted for equity awards of the Company.

#### 4.4 Form and Time of Payment

(a) In the Event of a Qualifying Separation from Service other than a Change in Control Termination, the Cash Severance Benefit, other than the Actual Cash Bonus, shall be paid in twenty-four semi-monthly payments in accordance with the Company’s normal payroll cycle, less any applicable state and federal taxes required to be withheld, with such payments commencing on the normal payroll cycle occurring immediately following the expiration of the Severance Delay Period. The Actual Cash Bonus shall be payable on the date when such bonus otherwise would be paid absent a termination of employment and following expiration of the Severance Delay Period. As a condition to receiving such payments, the Participant must execute the Release of Claims and let expire any period during which the Participant may revoke such Release of Claims pursuant to the terms of the Release of Claims prior to the expiration of the Severance Delay Period.

(b) In the Event of a Qualifying Separation from Service other than a Change in Control Termination, payment of any Performance Unit Benefit in accordance with Section 4.1(b)(i) shall be processed within thirty (30) days following the expiration of the Severance Delay Period, and any payment of any Performance Unit Benefit in accordance with Section 4.1(b)(ii) will be made as soon as administratively practicable after the end of the



performance period stated in the applicable grant documents and at the time the Participant would have received payment had the Participant remained employed. As a condition to receiving such benefits, the Participant must execute the Release of Claims and let expire any period during which the Participant may revoke such Release of Claims pursuant to the terms of the Release of Claims prior to the expiration of the Severance Delay Period.

(c) In the event of a Change in Control only, payment of any Performance Unit Benefit in accordance with Section 4.2 shall be processed within thirty (30) days after the Change in Control.

(d) In the event of a Change in Control Termination only, any Cash Severance Benefit, other than the Actual Cash Bonus, shall be paid in a lump sum, less any applicable state and federal taxes required to be withheld, on the normal payroll cycle occurring immediately following the expiration of the Severance Delay Period. The Actual Cash Bonus shall be payable on the date when such bonus otherwise would be paid absent a termination of employment and following expiration of the Severance Delay Period. As a condition to receiving such payments, the Participant must execute the Release of Claims and let expire any period during which the Participant may revoke such Release of Claims pursuant to the terms of the Release of Claims prior to the expiration of the Severance Delay Period.

(e) In the event of a Change in Control Termination only, any Equity Severance Benefit shall be processed within thirty (30) days following the expiration of the Severance Delay Period. As a condition to receiving such Equity Severance Benefit, the Participant must execute the Release of Claims and let expire any period during which the Participant may revoke such Release of Claims pursuant to the terms of the Release of Claims prior to the expiration of the Severance Delay Period.

(f) It is intended that (i) each payment or installment of payments provided under this Policy is a separate “payment” for purposes of Code Section 409A and (ii) that the payments satisfy, to the greatest extent possible, the exemptions from the application of Code Section 409A including those exceptions provided under Treasury Regulations 1.409A-1(b)(4) (regarding short-term deferrals), 1.409A-1(b)(9)(iii) (regarding the two-times, two year exception), and 1.409A-1(b)(9)(v) (regarding reimbursements and other separation pay). Notwithstanding anything to the contrary in this Policy, if the Company determines (i) that on the date of an Executive Officer’s Separation from Service or at such other time that the Company determines to be relevant, the Executive Officer is a “specified employee” (as such term is defined under Treasury Regulation 1.409A-1(i)(1)) of the Company and (ii) that any payments to be provided to the Executive Officer pursuant to this Policy are or may become subject to the additional tax under Code Section 409A(1)(B) or any other taxes or penalties under Code Section 409A (“Section 409A Taxes”) if provided at the time otherwise required under this Policy, then such payments shall be delayed until the date that is six months after the date of the Executive Officer’s Separation from Service with the Company, or if earlier, the Executive Officer’s death. Any payments delayed pursuant to this Section 4.4(f) shall be made in a lump sum on the first day of the seventh month following the Executive Officer’s Separation from Service or, if earlier, the Executive Officer’s death and any remaining payments shall be made in accordance with the Policy.

#### 4.5 Benefits Conditional

(a) Anything in this Policy to the contrary notwithstanding, all payments and benefits for each Participant eligible according to Sections 4.1, 4.2 and 4.3 are conditional upon such Participant’s compliance with the Restrictions on Competitive Employment and Restrictions Against Solicitation and Inducement described below (collectively the “Restrictions”). Until such Restrictions are completely satisfied, the Participant shall be a constructive trustee of such payments and benefits and shall return them to the Company promptly if he/she violates any aspect of such Restrictions.

(b) During employment, and for a period of 12 months following a Qualifying Separation from Service, the Participant will not (as an individual, principal, agent, employee, consultant, director or otherwise), directly or indirectly in any territory in which the Company and/or any of its Affiliates does business and/or markets its products and services, engage in activities competitive with, nor render services to any firm or business engaged or about to become engaged in the Business of the Company (collectively, "Restrictions on Competitive Employment"). The Business of the Company includes, but is not limited to, information management products, marketing solutions and other services related to customer acquisition, growth and retention, including data collection, data integration technology and services, database services, information technology outsourcing, consulting and analytics services and consumer privacy products and services, or any other significant business in which the Company or any of its subsidiaries is engaged in, in each case where such products or services are competitive with products or services offered by the Company or any of its subsidiaries that constitute more than five percent (5%) of the Company's revenues in any of its eight (8) preceding fiscal quarters. In addition, the Participant will not have an equity interest in any such firm or business other than as a 1% or less shareholder of a public corporation.

(c) During employment and for a period of 12 months following a Qualifying Separation from Service, the Participant will not, directly or indirectly, on the Participant's own behalf or on behalf of any other person or entity, do any of the following (collectively, "Restrictions Against Solicitation and Inducement"):

(i) solicit or contact any customer or targeted potential customer of the Company and/or its Affiliates upon whom he/she called or solicited or with whom he/she became acquainted after commencement of employment with the Company and/or its Affiliates; (ii) induce or attempt to induce, any employees, agents or consultants of the Company and/or its Affiliates to do anything from which he or she is restricted by reason of this Policy or any agreement between the Participant and the Company that restricts the Participant against solicitation or inducement; (iii) offer or aid others to offer employment to, otherwise solicit the services of, or solicit to terminate their employment or agency with the Company any employees, agents, or consultants of the Company and/or its Affiliates; or (iv) provide services to any customer, solicit any vendor or supplier of the Company for the purpose of either providing products or services to do a business competitive with the Company, or otherwise interfere with or disrupt or attempt to disrupt any contractual or potential contractual relationship between any customer, vendor or supplier and the Company and/or its Affiliates.

(d) The Restrictions applicable to Participants are effective for the time stated in this Policy and do not affect and are not affected by any other similar restrictions that may apply or may in the future apply to such Participant pursuant to any other plan, agreement or other arrangement. Any other similar obligations under other agreements, including the Associate Agreement and any Equity grant agreements, entered into between a Participant and Company shall remain in effect and the Participant shall remain bound by the terms of this Policy as well as such other agreements or obligations. Furthermore, the Release of Claims will contain the restrictions and covenants contained in this Section 4.5 (modified if necessary to comply with appropriate state law) and a provision that the restrictions and covenants contained in this Policy and the Release of Claims are reasonable and necessary to protect the legitimate interests of the Company and that the services rendered by the Participant were of a special, unique and extraordinary character. The Release of Claims will also contain a provision that the Company will be entitled to injunctive relief, which entails that (i) it would be difficult to replace the Participant's services; (ii) the Company would suffer irreparable harm that would not be adequately compensated by monetary damages and (iii) the remedy at law for any breach of any of the restrictions and covenants contained in this Policy and the Release of Claims may be inadequate. The Participant will further agree and acknowledge in the Release of Claims that the Company will be entitled, in addition to any remedy at law or in equity, to obtain preliminary and permanent injunctive relief and specific performance for any actual or threatened violation of any of the restrictive covenants contained in this Policy and the Release of Claims. This provision with respect to injunctive relief will not, however, diminish the

right to claim and recover damages, or to seek and obtain any other relief available to it at law or in equity, in addition to injunctive relief.

(e) Notwithstanding anything contained herein, any amounts paid or payable to a Participant pursuant to this Policy or otherwise by the Company, including any equity compensation granted to the Participant, may be subject to forfeiture or repayment to the Company pursuant to any clawback policy as adopted by the Board from time to time and applicable to Executive Officers of the Company to the extent permitted by Code Section 409A, and Participant will be bound by any such policy while an Executive Officer and will agree to continue to be bound in the Release of Claims.

#### 4.6 Exclusive Payments; No Mitigation

Severance Benefits under this Policy are not intended to duplicate benefits such as (i) workers' compensation wage replacement benefits, disability benefits, and pay-in-lieu-of-notice, (ii) severance pay, or similar benefits under other benefit plans, severance programs or agreements, or employment contracts, or (iii) applicable laws, such as the WARN Act. Should such other benefits be payable, a Participant's benefits under this Policy will be reduced accordingly or, alternatively, benefits previously paid under this Policy will be treated as having been paid to satisfy such other benefit obligations in either case to the extent permitted by Code Section 409A. In either case, the Policy Administrator will determine how to apply this provision and may override other provisions in this Policy in doing so.

### **SECTION 5**

#### **TERMINATION OF EMPLOYMENT**

5.1 Written Notice Required. Any purported Separation from Service for Cause, without Cause or for Good Reason, whether by the Company or by the Participant, shall be communicated by written Notice of Termination to the other.

5.2 Termination Date. In the case of the Participant's death, the Participant's Termination Date shall be his or her date of death. In the case of Permanent Disability, the Termination Date shall be the date established by Company according to standard policy and procedure. In all other cases, the Participant's Termination Date shall be the date specified in the Notice of Termination; provided however, that upon a Participant's Separation from Service for Good Reason, the date specified in the Notice of Termination must comply with the provisions of Section 2.14.

### **SECTION 6**

#### **EFFECT OF SECTIONS 280G AND 4999 OF THE CODE**

Notwithstanding anything contained in this Policy to the contrary, if any payment or benefit a Participant would receive from the Company pursuant to the Policy or otherwise ("Payment") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then the Payment will be equal to the Reduced Amount (defined below). The "Reduced Amount" will be either (1) the largest portion of the Payment that would result in no portion of the Payment (after reduction) being subject to the Excise Tax or (2) the entire Payment, whichever amount after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate, net of the maximum reduction in federal income taxes which could be obtained from a deduction of such state and local taxes), results in the Participant's receipt, on an after-tax basis, of the greatest amount of the Payment. If a reduction in the Payment is to be made so that the

Payment equals the Reduced Amount, (x) the Payment will be paid only to the extent permitted under the Reduced Amount alternative, and the Participant will have no rights to an additional payments and/or benefits constituting the Payment. In no event will the Company or any stockholder be liable to a Participant for any amounts not paid as a result of the operation of this Section 6. No portion of any Payment shall be taken into account which in the opinion of tax counsel does not constitute a "parachute payment" within the meaning of Code Section 280G(b)(2), including by reason of Code Section 280G(b)(4) (A).

To the extent permitted by Code Section 409A, unless Participant shall have given prior written notice specifying a different order to the Company to effectuate the Reduced Amount, the Company shall reduce or eliminate the Payments by (i) first reducing or eliminating those payments or benefits which are payable in cash and (ii) then reducing or eliminating non-cash payments, in each case in reverse order beginning with payments or benefits which are to be paid the furthest in time from the Change in Control. Any notice given by Participant pursuant to the preceding sentence shall take precedence over the provisions of any other plan, arrangement or agreement governing Participant's rights and entitlements to any benefits or compensation.

## **SECTION 7**

### **SUCCESSORS TO COMPANY**

This Policy shall bind any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, in the same manner and to the same extent that the Company would be obligated under this Policy if no succession had taken place. In the case of any transaction in which a successor would not by the foregoing provision or by operation of law be bound by this Policy, the Company shall require such successor expressly and unconditionally to assume and agree to perform the obligations of the Company under this Policy, in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

## **SECTION 8**

### **DURATION, AMENDMENT AND PLAN TERMINATION**

8.1 Duration. This Policy shall continue in effect until terminated in accordance with Section 8.2. If a Change in Control occurs, this Policy shall continue in full force and effect and shall not terminate or expire until after all Participants who have become or may become entitled as a result of the Change in Control to Equity Severance Benefits, Performance Unit Benefits and/or Cash Severance Benefits hereunder shall have received such payments in full.

8.2 Amendment and Termination. Prior to a Change in Control, the Policy may be amended or modified in any respect, and may be terminated, in any such case by the Committee or the Board; provided, however, that no such amendment, modification or termination that would adversely affect the benefits or protections hereunder of any individual who is a Participant as of the date such amendment, modification or termination is adopted shall be effective (i) as to a Participant for whom a Qualifying Separation from Service of the Participant has already occurred; (ii) if a Change in Control occurs within one year after such adoption; or (iii) from or after the occurrence of a Change in Control and for twenty-seven (27) months thereafter. Any attempted amendment, modification or termination within one year prior to a Change in Control that would adversely affect the benefits or protections hereunder will be null and void ab initio as it relates to all such individuals who were Participants prior to such

adoption (it being understood, however, that the hiring, termination of employment, promotion or demotion of any employee of the Company or any of its Affiliates prior to a Change in Control shall not be construed to be an amendment, modification or termination of the Policy). Any amendment, modification or termination that accelerates the payment of any benefit hereunder shall be deemed to not adversely affect the benefits or protections hereunder of any individual.

8.3 Form of Amendment. The form of any amendment or termination of the Policy in accordance with Section 8.2 hereof shall be a written instrument approved by the Committee or the Board certifying that the amendment or termination has been approved by the Committee or the Board, respectively.

## SECTION 9

### MISCELLANEOUS

#### 9.1 Administration.

(a) The Policy will be interpreted by the Policy Administrator in accordance with the terms of the Policy and their intended meanings. The Policy Administrator shall have the discretion, in his or her sole judgment, to (i) make any findings of fact needed in the administration of the Policy, (ii) interpret or construe ambiguous, unclear or implied (but omitted) terms, (iii) establish rules and regulations for administering the Policy and (iv) take such other action as he or she deems necessary or appropriate. The validity of any such action or determination by the Policy Administrator will not be given *de novo* review if challenged in court, by arbitration or any other forum and will be upheld unless clearly arbitrary or capricious. All actions and all determinations made in good faith by the Policy Administrator shall be final, binding and conclusive upon all persons claiming any interest in or under the Policy. Benefits under the Policy will be paid only if the Policy Administrator decides in his or her discretion that a claimant is entitled to them.

(b) The Policy Administrator shall establish a claims procedure in accordance with ERISA and shall set forth such claims procedure in the summary plan description of the Policy.

9.2 Employment Status. This Policy does not constitute a contract of employment or impose on Company any obligation to: (a) retain any Participant as an employee or maintain any compensation level (except as otherwise provided herein), (b) not change the status of any Participant's employment, (c) not change any employment policies of the Company, or (d) not change or continue the status of any Participant's employment as an Executive Officer.

9.3 Withholding of Taxes. The Company shall withhold from any amounts payable under this Policy all federal, state, local or other taxes that are legally required to be withheld.

9.4 No Effect on Other Benefits. Equity Severance Benefits, Performance Unit Benefits and Cash Severance Benefits shall not be counted as compensation for purposes of determining benefits under other benefit plans, programs, policies and agreements, except as required by law or to the extent expressly provided therein or herein.

9.5 Validity and Severability. The invalidity or unenforceability of any provision of the Policy shall not affect the validity or enforceability of any other provision of the Policy, which shall remain in full force and effect, and any prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

9.6 Settlement of Claims. The Company's obligation to make the payments provided for in this Policy and otherwise to perform its obligations hereunder shall not be affected by any circumstances, including, without limitation, any set-off, counterclaim, defense, recoupment, or other right which the Company may have against a Participant or others except as may be specifically permitted by Code Section 409A.

9.7 Unfunded Obligation. All Equity Severance Benefits, Performance Unit Benefits and Cash Severance Benefits provided under this Policy shall constitute an unfunded obligation of the Company. Cash payments shall be made, as due, from the general funds of the Company. This Policy shall constitute solely an unsecured promise by the Company to provide such benefits to Participants to the extent provided herein. This Policy does not provide the substantive benefits under such other employee benefit plans, and nothing in this Policy shall restrict the Company's ability to amend, modify or terminate such other employee benefit plans (whether before or after a Change in Control (but subject to Section 2.14 following a Change in Control)).

9.8 Governing Law. It is intended that the Policy be an "employee welfare benefit plan" within the meaning of Section 3(1) of ERISA, and the Policy shall be administered in a manner consistent with such intent. The Policy and all rights thereunder shall be governed and construed in accordance with ERISA and, to the extent not preempted by federal law, with the laws of the state of Arkansas, wherein venue shall lie for any dispute arising hereunder. In addition, this Policy shall only cover certain employees of the Company who are members of a "select group" of management or highly compensated employees within the meaning of Section 201(2), 301(a)(3), and 401(a)(1) of ERISA. The Company shall have the authority to take any and all actions necessary or desirable in order for the Policy to satisfy the requirements set forth in ERISA and the regulations thereunder applicable to plans maintained for employees who are members of a select group of management or highly compensated employees. This Policy shall also be subject to all applicable non-U.S. laws as to Participants employed by subsidiaries of the Company located outside of the United States. Without limiting the generality of this Section 9.9, it is intended that the Policy comply and be interpreted in accordance with Section 409A of the Code, and, the Board shall, as necessary, adopt such conforming amendments as are necessary to comply with Section 409A of the Code without reducing the Equity Severance Benefits, Performance Unit Benefits or Cash Severance Benefits due to Participants hereunder. Notwithstanding any other provision of this Policy, to the extent applicable, any amendment, modification or termination of the Policy, and the acceleration of any payments hereunder in connection thereto, shall be made in accordance with Code Section 409A and the Treasury Regulations promulgated thereunder, including Treasury Regulation 1.409A-3(j)(4)(ix).

9.9 Assignment. This Policy shall inure to the benefit of and shall be enforceable by a Participant's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. A Participant's rights under this Policy shall not otherwise be transferable or subject to lien or attachment.

9.10 Enforcement. This Policy is intended to constitute an enforceable contract between the Company and each Participant subject to the terms hereof.

# AMENDED AND RESTATED 2011 NONQUALIFIED EQUITY COMPENSATION PLAN

## OF

### ACXIOM CORPORATION

1. Establishment and Purpose. Acxiom Corporation (the “Company”) has adopted this 2011 Nonqualified Equity Compensation Plan (the “Plan”) to promote the interests of the Company and its stockholders by enabling grants of Awards to provide a material inducement for new, key executives to enter into employment with the Company or any of its present or future Subsidiaries and Affiliated Companies (as defined below) when the constraints of the Company’s existing equity incentive plans prevent such grants, and to retain and motivate such executives, to encourage and reward their contribution to the performance of the Company, and to align their interests with the interests of the Company’s stockholders. The Plan replaces the 2008 Nonqualified Equity Compensation Plan of Acxiom Corporation (the “2008 Plan”) effective July 25, 2011 and no further grants shall be made under the 2008 Plan. The Plan was amended and restated on December 5, 2016 to increase the total number of Shares (as defined below) which may be issued under the Plan.

2. Definitions. The following capitalized terms, when used in the Plan, have the following meanings:

(a) “Act” means the Securities Exchange Act of 1934, as amended and in effect from time to time.

(b) “Affiliated Company” means any corporation, limited liability company, partnership, limited liability partnership, joint venture or other entity in which the Company or any of its Subsidiaries has an ownership interest.

(c) “Associate” means any employee, officer (whether or not also a director), director, affiliate, independent contractor or consultant of the Company, a Subsidiary or an Affiliated Company who renders those types of services which tend to contribute to the success of the Company, its Subsidiaries or its Affiliated Companies, or which may reasonably be anticipated to contribute to the future success of the Company, its Subsidiaries or its Affiliated Companies.

(d) “Award” means the grant, pursuant to the Plan, of any Option, Stock Appreciation Right, Restricted Stock Award, Restricted Stock Unit Award, or Other Stock Unit Award. The terms and conditions applicable to an Award shall be set forth in applicable Grant Documents.

(e) “Award Agreement” means any written or electronic agreement, contract, or other document or instrument evidencing any Award granted by the Committee or the Board hereunder, which may, but need not, be executed or acknowledged by both the Company and the Eligible Person.

(f) “Board” means the Board of Directors of the Company.

(g) “Code” means the Internal Revenue Code of 1986, as amended and in effect from time to time.

(h) “Common Stock” means the common stock, par value \$.10 per share, of the Company or any security into which such common stock may be changed by reason of any transaction or event of the type described in Section 15 of the Plan.

(i) “Committee” means the Compensation Committee of the Board (as well as any successor to the Compensation Committee and any Company officers to whom authority has been lawfully delegated by the Compensation Committee). All of the members of the Committee, which may not be less than two, are intended at all times to qualify as “Non-Employee Directors” within the meaning of Rule 16b-3, and each of whom is intended to

qualify as “independent” as set forth in the applicable rules and regulations of the Securities and Exchange Commission and/or Nasdaq or any stock exchange upon which the Shares may be listed in the future; provided, however, that the failure of a member of such Committee to so qualify shall not be deemed to invalidate any Award granted by such Committee.

(j) “Date of Grant” means the date specified by the Committee or the Board, as applicable, on which a grant of an Award will become effective.

(k) “Eligible Person” means a person not previously an employee or director of the Company or any Affiliated Company, or who has experienced a *bona-fide* period of non-employment with the Company and its Affiliated Companies, within the meaning of Nasdaq Marketplace Rule 5635(c)(4).

(l) “Exercise Period” means the period during which an Option shall vest and become exercisable by a grantee (or his or her representatives or transferees) as specified in Section 6(c) below.

(m) “Exercise Price” means the purchase price per share payable upon exercise of an Option.

(n) “Fair Market Value” means, as of any applicable determination date or for any applicable determination period, the closing price of the Company’s Common Stock as reported by Nasdaq (or any other stock exchange upon which the Common Stock may be listed for trading).

(o) “Grant Documents” means any written or electronic Award Agreement, memorandum, notice, and/or other document or instrument evidencing the terms and conditions of the grant of an Award by the Committee or the Board under the Plan, which may, but need not, be executed or acknowledged by both the Company and the grantee.

(p) “Legal Requirements” means any laws, or any rules or regulations issued or promulgated by the Internal Revenue Service (including Section 422 of the Code), the Securities and Exchange Commission, the National Association of Securities Dealers, Inc., Nasdaq (or any other stock exchange upon which the Common Stock may be listed for trading), or any other governmental or quasi-governmental agency having jurisdiction over the Company, the Common Stock, or the Plan.

(q) “Non-Qualified Stock Option” means any Option that is not an Incentive Stock Option.

(r) “Option” means an option granted to an Eligible Person pursuant to the Plan to acquire a certain number of Shares at such price(s) and during such period(s) and under such other terms and conditions as the Committee or Board shall determine from time to time.

(s) “Other Stock Unit Award” means any right granted to an Eligible Person by the Committee or Board pursuant to Section 10 hereof.

(t) “Restricted Stock” means any Share issued with the restriction that the holder may not sell, transfer, pledge, or assign such Share and with such other restrictions as the Committee or the Board, in their sole discretion, may impose (including, without limitation, any forfeiture condition or any restriction on the right to vote such Share, and the right to receive any cash dividends), which restrictions may lapse separately or in combination at such time or times, in installments or otherwise, as the Committee or the Board may deem appropriate.

(u) “Restricted Stock Award” means an award of Restricted Stock or Restricted Stock Units under Section 8 hereof.

(v) “Restricted Stock Unit” means a right awarded to an Eligible Person that, subject to Section 8(c), may result in the Eligible Person’s ownership of Shares upon, but not before, the lapse of restrictions related thereto.



(w) "Restriction Period" means the period of time specified by the Committee or Board pursuant to Sections 8 and 10 below.

(x) "Rule 16b-3" means Rule 16b-3 under Section 16 of the Act, as such Rule may be in effect from time to time.

(y) "Shares" means the shares of Common Stock of the Company, \$.10 par value, as may be adjusted in accordance with Section 15 of the Plan.

(z) "Stock Appreciation Right" means the right pursuant to an Award granted under Section 7 of the Plan, to surrender to the Company all (or a portion) of such right and, if applicable, a related Option, and receive cash or shares of Common Stock in accordance with the provisions of Section 7.

(aa) "Strike Price" shall have the meaning set forth for such term in Section 7(b) of the Plan.

(bb) "Subsidiary" means any corporation, limited liability company, partnership, limited liability partnership, joint venture or other entity in which the Company owns or controls, directly or indirectly, not less than 50% of the total combined voting power or equity interests represented by all classes of stock, membership or other interests issued by such corporation, limited liability company, partnership, limited liability partnership, joint venture or other entity.

(cc) "Substitute Awards" shall mean Awards granted or Shares issued by the Company in assumption of, or in substitution or exchange for, awards previously granted, or the right or obligation to make future awards, by a company acquired by the Company or with which the Company combines.

3. Administration. The Plan shall be administered by the Committee and the Board. Except as otherwise provided herein, each of the Committee or the Board has the full authority and discretion to administer the Plan, and to take any action that is necessary or advisable in connection with the administration of the Plan including, without limitation, the authority and discretion to:

(a) select Eligible Persons under the Plan;

(b) determine whether and to what extent Awards are to be granted;

(c) determine the number of Shares to be covered by each grant;

(d) determine the terms and conditions, not inconsistent with the terms of the Plan, of any grant hereunder (including, but not limited to, the term of the Award, the Exercise Price or Strike Price and any restriction, limitation, procedure, or deferral related thereto, provisions relating to the effect upon the Award of an Eligible Person's cessation of employment, acceleration of vesting, forfeiture provisions regarding an Award and/or the profits received by any Eligible Person from receiving an Award of exercising an Option or Stock Appreciation Right, and any other terms and conditions regarding any Award, based in each case upon such guidelines and factors as the Committee or Board shall determine from time to time in their sole discretion);

(e) determine whether, to what extent and under what circumstances grants under the Plan are to be made and operate, whether on a tandem basis or otherwise, with other grants or awards (whether equity or cash based) made by the Company under or outside of the Plan; and

(f) delegate to one or more officers of the Company the right to grant Awards under the Plan, provided that such delegation is made in accordance with the provisions of applicable state and federal laws.

Each of the Committee and the Board shall have the authority to adopt, alter and repeal such rules, guidelines and practices governing the Plan as it shall from time to time deem advisable; to interpret the terms and provisions of the

Plan and any Award granted under thereunder (and any Grant Documents relating thereto); and to otherwise supervise the administration of the Plan.

Each of the Committee and the Board shall also have the authority to provide, in their discretion, for the rescission, forfeiture, cancellation or other restriction of any Award granted under the Plan, or for the forfeiture, rescission or repayment to the Company by a grantee of an Award of any profits or gains related to any Award granted hereunder, or other limitations, upon the occurrence of such prescribed events and under such circumstances as the Committee or the Board shall deem necessary and reasonable for the benefit of the Company; provided, however, that this provision shall have no application after a Change in Control Event (as defined below in Section 11) has occurred.

All decisions made by the Committee and the Board pursuant to the provisions of the Plan shall be made in the Committee's or Board's sole discretion and shall be final and binding on all persons including the Company and any Eligible Person who has received an Award hereunder. No member of the Committee or Board will be liable for any such action taken or omitted to be taken or determination made in good faith.

#### 4. Shares Subject to the Plan.

(a) The total number of Shares which may be issued pursuant to Awards under the Plan is 1,270,927. Such Shares may consist, in whole or in part, of authorized and unissued shares or treasury shares, as determined in the discretion of the Committee or the Board.

(b) If any Award made under the Plan is forfeited, any Option (and the related Stock Appreciation Right, if any) or any Stock Appreciation Right not related to an Option terminates, expires or lapses without being exercised, or any Stock Appreciation Right is exercised for cash, the Shares subject to such Awards that are, as a result, not delivered to the Eligible Person shall again be available for delivery in connection with Awards. If a Stock Appreciation Right is exercised, only the number of Shares issued will be deemed delivered for purposes of determining the maximum number of Shares available for delivery under the Plan. If the Exercise Price of any Option is satisfied by delivering Shares to the Company (by either actual delivery or by attestation), only the number of Shares issued net of the Shares delivered or attested to shall be deemed delivered for purposes of determining the maximum number of Shares available for delivery pursuant to Awards under the Plan. To the extent any Shares subject to an Award are not delivered to an Eligible Person because such Shares are used to satisfy an applicable tax withholding obligation, such Shares shall again be available for delivery in connection with Awards; provided, further, that only Shares that are used to satisfy an applicable tax withholding obligation upon exercise of an Option shall again be available for delivery pursuant to Incentive Options.

(c) Shares available for issuance or reissuance under the Plan will be subject to adjustment as provided in Section 15 below.

5. Eligible Persons. A person is eligible to receive grants of Awards if, at the time of the grant of the Award, such person is an Eligible Person and the Award is provided as an inducement material to the individual's entering into employment with the Company or an Affiliated Entity; *provided, however*, that the grant is approved by either the Board's independent Compensation and Human Resources Committee or a majority of independent directors of the whole Board, and *provided further*, that Awards granted to a person who has received an offer of employment will terminate and be forfeited without consideration if the employment offer is not accepted within such time as may be specified by the Company. Promptly following any grant under this Plan, the Company shall disclose in a press release the material terms of the grant, including the recipient and the number of shares involved. Status as an Eligible Person will not be construed as a commitment that any Award will be granted under this Plan to an Eligible Person or to Eligible Persons generally.

#### 6. Options.

(a) Grant of Options. The Committee, the Board or their authorized designees may from time to time authorize grants of Options to any Eligible Person upon such terms and conditions as the Committee or Board may

determine in accordance with the provisions set forth in the Plan. Each grant will specify, among other things, the number of Shares to which it pertains; the Exercise Price, the form of payment to be made by the Eligible Person for the Shares purchased upon exercise of any Option; the required period or periods (if any) of continuous service by the Eligible Person with the Company, a Subsidiary or an Affiliated Company and/or any other conditions to be satisfied before the Options or installments thereof will vest and become exercisable. Incentive Stock Options may not be granted under the Plan.

Each Option granted under this Plan will be evidenced by Grant Documents delivered to the Eligible Person containing such further terms and provisions, not inconsistent with the Plan, as the Committee or Board may approve in their discretion.

(b) Exercise Price. The Exercise Price for each share of Common Stock purchasable under any Option shall be not less than 100% of the Fair Market Value per share on the Date of Grant as the Committee or Board shall specify. All such Exercise Prices shall be subject to adjustment as provided for in Section 15 hereof.

(c) Exercise Period. Subject to Section 11 hereof, the period during which an Option shall vest and become exercisable by a grantee (or his or her representative(s) or transferee(s)) whether during or after employment or following death, retirement or disability (the "Exercise Period") shall be such period of time as may be designated by the Committee or the Board as set forth in the Committee's or Board's applicable rules, guidelines and practices governing the Plan and/or in the Grant Documents executed in connection with such Option. If the Committee or Board provides, in their sole discretion, that any Option is exercisable only in installments, the Committee or Board may waive or accelerate such installment exercise provisions at any time at or after grant in whole or in part, based upon such factors as the Committee or Board shall determine, in their sole discretion.

(d) Exercise of Option. Subject to Section 11 hereof, an Option may be exercised by the grantee at any time and from time to time during the Exercise Period by giving written notice of such exercise to the Company specifying the number of shares of Common Stock to be purchased by the grantee. Such notice shall be accompanied by payment of the Exercise Price in accordance with subsection (e) below.

(e) Payment for Shares. Full payment of the Exercise Price for the Shares purchased upon exercise of an Option, together with the amount of any tax or excise due in respect of the sale and issue thereof, may be made in one of the following forms of payment:

(i) Cash, by check or electronic funds transfer;

(ii) Pursuant to procedures approved by the Company, through the sale (or margin) of Shares acquired upon exercise of the Option through a broker-dealer to whom the grantee has submitted an irrevocable notice of exercise and irrevocable instructions to deliver promptly to the Company the amount of sale (or if applicable margin loan) proceeds sufficient to pay for the Exercise Price, together with, if requested by the Company, the amount of federal, state, local or foreign withholding taxes payable by reason of such exercise;

(iii) By delivering previously-owned shares of Common Stock owned by the grantee for a period of at least six months having a Fair Market Value on the date upon which the grantee exercises his or her Option equal to the Exercise Price, or by delivering a combination of cash and shares of Common Stock equal to the aggregate Exercise Price;

(iv) By authorizing the Company to withhold a number of shares of Common Stock otherwise issuable to the grantee upon exercise of an Option having an aggregate Fair Market Value on the date upon which the grantee exercises his or her Option equal to the aggregate Exercise Price; or

(v) By any combination of the foregoing.

Provided, however, that the payment methods described in clause (iv) immediately above shall not be available to a grantee without the prior consent of either the Committee or its authorized designee(s), or if at any time the Company is prohibited from purchasing or acquiring Shares under applicable Legal Requirements. The Committee or the Board may permit a grantee to exercise an Option and defer the issuance of any Shares, subject to such rules and procedures as the Committee or Board may establish.

The Company will issue no certificates for Shares until full payment of the Exercise Price has been made, and a grantee shall have none of the rights of a shareholder until certificates for the Shares purchased are issued; provided however, that for purposes of this Section 6, full payment shall be deemed to have been received by the Company upon evidence of delivery to a broker-dealer of the irrevocable instructions contemplated by clause (ii) immediately above.

(f) Withholding Taxes. The Company may require a grantee exercising a Non-Qualified Stock Option or Stock Appreciation Right granted hereunder to reimburse the Company (or the entity which employs the grantee) for taxes required by any government to be withheld or otherwise deducted and paid by such corporation in respect of the issuance of the Shares. Such withholding requirements may be satisfied by any one of the following methods:

(i) A grantee may deliver cash in an amount which would satisfy the withholding requirement;

(ii) A grantee may deliver previously-owned Shares (based upon the Fair Market Value of the Common Stock on the date of exercise) in an amount which would satisfy the withholding requirement; or

(iii) With the prior consent of either the Committee or the Board, or its authorized designees, a grantee may request that the Company (or the entity which employs the Eligible Person) withhold from the number of Shares otherwise issuable to the grantee upon exercise of an Option such number of Shares (based upon the Fair Market Value of the Common Stock on the date of exercise) as is necessary to satisfy the withholding requirement.

(g) Conditions to Exercise of Options. The Committee or the Board may, in their discretion, require as conditions to the exercise of Options or Stock Appreciation Rights and the issuance of shares thereunder either (a) that a registration statement under the Securities Act of 1933, as amended, with respect to the Options or Stock Appreciation Rights and the shares to be issued upon the exercise thereof, containing such current information as is required by the Rules and Regulations under said Act, shall have become, and continue to be, effective; or (b) that the grantee or his or her transferee(s) (i) shall have represented, warranted and agreed, in form and substance satisfactory to the Company, both that he or she is acquiring the Option or Stock Appreciation Right and, at the time of exercising the Option or Stock Appreciation Right, that he or she is acquiring the shares for his/her own account, for investment and not with a view to or in connection with any distribution; (ii) shall have agreed to restrictions on transfer, in form and substance satisfactory to the Company; and (iii) shall have agreed to an endorsement which makes appropriate reference to such representations, warranties, agreements and restrictions both on the option and on the certificate representing the shares.

(h) Use of Proceeds. Proceeds realized from the sale of Common Stock pursuant to Options granted hereunder shall constitute general funds of the Company.

#### 7. Stock Appreciation Rights.

(a) When granted, Stock Appreciation Rights may, but need not be, identified with a specific Option (including any Option granted on or before the Date of Grant of the Stock Appreciation Rights) in a number equal to or different from the number of Stock Appreciation Rights so granted. If Stock Appreciation Rights are identified with Shares subject to an Option, then, unless otherwise provided in the applicable Grant Documents, the grantee's associated Stock Appreciation Rights shall terminate upon the expiration, termination, forfeiture or cancellation of such Option or the exercise of such Option.

(b) The Strike Price of any Stock Appreciation Right shall (i) for any Stock Appreciation Right that is identified with an Option, equal the Exercise Price of such Option, or (ii) for any other Stock Appreciation Right, be not less than 100% of the Fair Market Value of a Share of Common Stock on the Date of Grant as the Committee or Board shall specify.

(c) Subject to Section 11 hereof, (i) each Stock Appreciation Right which is identified with any Option grant shall vest and become exercisable by a grantee as and to the extent that the related Option with respect to which such Stock Appreciation Right is identified may be exercised; and (ii) each other Stock Appreciation Right shall vest and become exercisable by the grantee, whether during or after employment or following death, retirement or disability, at such time or times as may be designated by the Committee or Board as set forth in the applicable rules, guidelines and practices governing the Plan and/or the Grant Documents executed in connection with such Stock Appreciation Right.

(d) Subject to Section 11 hereof, Stock Appreciation Rights may be exercised by the grantee by delivery to the Company of written notice of intent to exercise a specific number of Stock Appreciation Rights. Unless otherwise provided in the applicable Grant Documents, the exercise of Stock Appreciation Rights which are identified with Shares of Common Stock subject to an Option shall result in the cancellation or forfeiture of such Option to the extent of the exercise of such Stock Appreciation Right.

(e) The benefit to the grantee for each Stock Appreciation Right exercised shall be equal to (i) the Fair Market Value of a Share of Common Stock on the date of exercise, minus (ii) the Strike Price of such Stock Appreciation Right. Such benefit shall be payable in cash, except that the Committee or Board may provide in the applicable rules, guidelines and practices governing the Plan and/or the Grant Documents that benefits may be paid wholly or partly in Shares of Common Stock.

#### 8. Restricted Stock Awards.

(a) Issuance. A Restricted Stock Award shall be subject to restrictions imposed by the Committee or the Board during a period of time specified by the Committee or Board (the "Restriction Period"). Restricted Stock Awards may be issued hereunder to Eligible Persons for no cash consideration or for such minimum consideration as may be required by applicable law, either alone or in addition to other Awards granted under the Plan. The provisions of Restricted Stock Awards need not be the same with respect to each Eligible Person.

#### (b) Restricted Stock.

(i) The Company may grant Restricted Stock to those Eligible Persons the Committee or the Board may select in their sole discretion. Each Award of Restricted Stock shall have those terms and conditions that are expressly set forth in or are required by the Plan and the Grant Documents as the Committee or the Board may determine in their discretion.

(ii) While any restriction applies to any grantee's Restricted Stock, (a) unless the Committee or the Board provides otherwise, the grantee shall receive the dividends paid on the Restricted Stock and shall not be required to return those dividends to the Company in the event of the forfeiture of the Restricted Stock; (b) the grantee shall receive the proceeds of the Restricted Stock in any stock split, reverse stock split, recapitalization, or other change in the capital structure of the Company, which proceeds shall automatically and without need for any other action become Restricted Stock and be subject to all restrictions then existing as to the grantee's Restricted Stock; and (c) the grantee shall be entitled to vote the Restricted Stock during the Restriction Period.

(iii) The Restricted Stock will be delivered to the grantee subject to the understanding that while any restriction applies to the Restricted Stock, the grantee shall not have the right to sell, transfer, assign, convey, pledge, hypothecate, grant any security interest in or mortgage on, or otherwise dispose of or encumber any shares of Restricted Stock or any interest therein. As a result of the retention of rights in the Restricted Stock by the Company, except as required by any applicable law, neither any shares of the Restricted Stock nor any interest therein

shall be subject in any manner to any forced or involuntary sale, transfer, conveyance, pledge, hypothecation, encumbrance, or other disposition or to any charge, liability, debt, or obligation of the grantee, whether as the direct or indirect result of any action of the grantee or any action taken in any proceeding, including any proceeding under any bankruptcy or other creditors' rights law. Any action attempting to effect any transaction of that type shall be void.

(iv) Unless other provisions are specified in the Grant Documents or Plan guidelines which may be adopted by the Committee or the Board from time to time, any Restricted Stock held by the grantee at the time the grantee ceases to be an Associate for any reason shall be forfeited by the grantee to the Company and automatically re-conveyed to the Company.

(v) The Committee or the Board may withhold, in accordance with Section 16(f) hereof, any amounts necessary to collect any withholding taxes upon any taxable event relating to Restricted Stock.

(vi) The making of an Award of Restricted Stock and delivery of any Restricted Stock is subject to compliance by the Company with all applicable Legal Requirements. The Company need not issue or transfer Restricted Stock pursuant to the Plan unless the Company's legal counsel has approved all legal matters in connection with the delivery of the Restricted Stock.

(vii) The Restricted Stock will be book-entry Shares only unless the Committee or the Board decides to issue certificates to evidence any shares of Restricted Stock. The Company may place stop-transfer instructions with respect to all Restricted Stock on its stock transfer records.

(c) Restricted Stock Units.

(i) The Company may grant Restricted Stock Units to those Eligible Persons as the Committee or the Board may select in its sole discretion. Restricted Stock Units represent the right to receive Shares in the future, at such times, and subject to such conditions as the Committee or the Board shall determine. The restrictions imposed shall take into account potential tax treatment under Code Section 409A.

(ii) Until the Restricted Stock Unit is released from restrictions and any Shares subject thereto are delivered to the grantee, the grantee shall not have any beneficial ownership in any Shares subject to the Restricted Stock Unit, nor shall the grantee have the right to sell, transfer, assign, convey, pledge, hypothecate, grant any security interest in or mortgage on, or otherwise dispose of or encumber any Restricted Stock Unit or any interest therein. Except as required by any law, no Restricted Stock Unit nor any interest therein shall be subject in any manner to any forced or involuntary sale, transfer, conveyance, pledge, hypothecation, encumbrance, or other disposition or to any charge, liability, debt, or obligation of the grantee, whether as the direct or indirect result of any action of the grantee or any action taken in any proceeding, including any proceeding under any bankruptcy or other creditors' rights law. Any action attempting to effect any transaction of that type shall be void.

(iii) Upon the lapse of the restrictions, the holder of Restricted Stock Units shall, except as noted below, be entitled to receive, as soon as administratively practical, (a) that number of Shares subject to the Award that are no longer subject to restrictions, (b) cash in an amount equal to the Fair Market Value of the number of Shares subject to the Award that are no longer subject to restrictions, or (c) any combination of Shares and cash, as the Committee or the Board shall determine in their sole discretion, or shall have specified at the time the Award was granted.

(iv) Restricted Stock Units and the entitlement to Shares, cash, or any combination thereunder will be forfeited and all rights of a grantee to such Restricted Stock Units and the Shares thereunder will terminate if the applicable restrictions are not satisfied.

(v) A grantee of Restricted Stock Units is not entitled to any rights of a holder of the Shares (e.g., voting rights and dividend rights), prior to the receipt of such Shares pursuant to the Plan. The Committee

or the Board may, however, provide in the Grant Documents that the grantee shall be entitled to receive dividend equivalent payments on Restricted Stock Units, on such terms and conditions as the Grant Documents may specify.

(vi) The Committee or the Board may withhold, in accordance with Section 16(f) hereof, any amounts necessary to collect any withholding taxes upon any taxable event relating to any Restricted Stock Units.

(vii) The granting of Restricted Stock Units and the delivery of any Shares is subject to compliance by the Company with all applicable Legal Requirements.

(viii) At the time of grant of Restricted Stock Units (or at such earlier or later time as the Committee or the Board determines to be appropriate in light of the provisions of Code Section 409A), the Committee or the Board may permit a grantee to elect to defer receipt of the Shares or cash to be delivered upon lapse of the restrictions applicable to the Restricted Stock Units in accordance with rules and procedures that may be established from time to time by the Committee or the Board. Such rules and procedures shall take into account potential tax treatment under Code Section 409A, and may provide for payment in Shares or cash.

#### 9. Performance Awards. [Reserved]

10. Other Stock Unit Awards. Other Awards of Shares and other Awards that are valued in whole or in part by reference to, or are otherwise based on, Shares or other property (“Other Stock Unit Awards”) may be granted hereunder to Eligible Persons, either alone or in addition to other Awards granted under the Plan. Other Stock Unit Awards may be paid in Shares, cash or any other form of property as the Committee or the Board may determine. Subject to the provisions of the Plan, the Committee or the Board shall have sole and complete authority to determine the Eligible Persons to whom such Awards shall be made, the times at which such Awards shall be made, the number of Shares to be granted pursuant to such Awards, and all other terms and conditions of such Awards. The provisions of Other Stock Unit Awards need not be the same with respect to each Eligible Person. Shares (including securities convertible into Shares) subject to Awards granted under this Section may be issued for no cash consideration or for such minimum consideration as may be required by applicable law.

11. Change in Control. Notwithstanding any other provision of the Plan to the contrary, upon the occurrence of a transaction involving the consummation of a reorganization, merger, consolidation or similar transaction involving the Company (other than a reorganization, merger, consolidation or similar transaction in which the Company’s shareholders immediately prior to such transaction own more than 50% of the combined voting power entitled to vote in the election of directors of the surviving corporation), a sale of all or substantially all of its assets, the liquidation or dissolution of the Company, the acquisition of a significant percentage, which shall be no less than beneficial ownership (within the meaning of Rule 13d-3 under the Act) of 20%, of the voting power of the Company, (each a “Change in Control Event”), which shall not include preliminary transaction activities such as receipt of a letter of interest, receipt of a letter of intent or an agreement in principle, each outstanding Award will be treated as the Committee or Board may determine (subject to the provisions of the following paragraph), without a Participant’s consent, including, without limitation, that (A) Awards will be assumed, or substantially equivalent Awards will be substituted, by the acquiring or succeeding corporation (or affiliate thereof), with appropriate adjustments as to the number and kind of shares and prices; (B) upon written or electronic notice to a Participant, that the Participant’s Awards will terminate upon or immediately prior to the consummation of such Change in Control Event; (C) that, to the extent the Committee or Board may determine, in whole or in part prior to or upon consummation of such Change in Control Event, (i) Options and Stock Appreciation Rights may become immediately exercisable; (ii) restrictions and deferral limitations applicable to any Restricted Stock or Restricted Stock Unit Award may become free of all restrictions and limitations and become fully vested and transferable; and (iii) the restrictions and deferral limitations and other conditions applicable to any Other Stock Unit Awards or any other Awards granted under the Plan may lapse and such Other Stock Unit Awards or such other Awards may become free of all restrictions, limitations or conditions and become fully vested and transferable to the full extent of the Award not previously forfeited or vested; (D) the termination of an Award in exchange for an amount equal to the excess of the fair market value of the Shares subject to the Award immediately prior to the occurrence of such transaction (which shall be no less than the value being paid for such Shares pursuant to such transaction as determined by the Committee or Board) over the Exercise Price or Strike Price, if

applicable, of such Award, with such amount payable in cash, in one or more of the kinds of property payable in such transaction, or in a combination thereof, as the Committee or Board in their discretion shall determine, or (E) any combination of the foregoing. In taking any of the actions permitted by this Section 11, the Committee or Board will not be obligated to treat all Awards, all Awards held by a Participant, or all Awards of the same type, similarly. Notwithstanding the definition of Change in Control Event above in this Section 11, to the extent required to avoid the adverse tax consequences under Section 409A of the Code, a Change in Control Event shall be deemed to occur only to the extent it also meets the requirements for a change in control event for purposes of Section 409A of the Code.

In the event that the successor corporation does not assume or substitute for the Award (or portion thereof), (i) Options and Stock Appreciation Rights will vest and become immediately exercisable; (ii) restrictions and deferral limitations applicable to any Restricted Stock or Restricted Stock Unit Award will become free of all restrictions and limitations and become fully vested and transferable; and (iii) the restrictions and deferral limitations and other conditions applicable to any Other Stock Unit Awards or any other Awards granted under the Plan will lapse and such Other Stock Unit Awards or such other Awards will become free of all restrictions, limitations or conditions and become fully vested and transferable to the full extent of the Award not previously forfeited or vested. In addition, if an Option or Stock Appreciation Right is not assumed or substituted in the event of a Change in Control Event, the Committee or Board will notify the Participant in writing or electronically that the Option or Stock Appreciation Right will be exercisable for a period of time determined by the Committee or Board in its sole discretion, and the Option or Stock Appreciation Right will terminate upon the expiration of such period.

For the purposes of this Section 11, an Award will be considered assumed if, following the Change in Control Event, the Award confers the right to purchase or receive, for each Share subject to the Award immediately prior to the Change in Control Event, the consideration (whether stock, cash, or other securities or property) received in the Change in Control Event by holders of Common Stock for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the Change in Control Event is not solely common stock of the successor corporation or its parent entity, the Committee or Board may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of an Option or Stock Appreciation Right or upon the payout of any other Award, for each Share subject to such Award, to be solely common stock of the successor corporation or its parent entity equal in fair market value to the per share consideration received by holders of Common Stock in the Change in Control Event.

Notwithstanding anything in this Section 11 to the contrary, an Award that vests, is earned or paid-out upon the satisfaction of one or more pre-established objective performance goals for a performance period will not be considered assumed if the Company or its successor modifies any of such performance goals without the Participant's consent; provided, however, a modification to such performance goals only to reflect the successor corporation's post-Change in Control Event corporate structure will not be deemed to invalidate an otherwise valid Award assumption.

12. Transferability of Awards. Awards granted under the Plan shall not be transferred by an Eligible Person, except by will or by the laws of descent and distribution.

13. Clawback. All Awards granted pursuant to this Plan are subject to the Company's "clawback policy" as may be in effect at the time.

14. Alteration, Termination, Discontinuance, Suspension, and Amendment.

(a) The Committee or the Board may amend, alter, suspend, discontinue or terminate the Plan or any portion thereof at any time; provided that no such amendment, alteration, suspension, discontinuation or termination shall be made without (i) shareholder approval if such approval is necessary to qualify for or comply with any tax or regulatory requirement for which or with which the Committee or Board deems it necessary or desirable to qualify or comply; or (ii) the consent of the affected grantee, if such action would impair the rights of such grantee under any outstanding Award. Notwithstanding anything to the contrary herein, the Committee or the Board may make technical amendments to the Plan as may be necessary so as to have the Plan conform to any Legal Requirements in any



jurisdiction within or outside the United States, so long as shareholder approval of such technical amendments is not required.

(b) The Committee or Board may amend the terms of any outstanding Award, prospectively or retroactively, except that no such amendment shall impair the rights of any grantee of an Award without his or her consent. Subject to the requirements of paragraph (c) below, the Committee or Board may, without the consent of the grantee of an Award, amend any Grant Documents evidencing an Option or Stock Appreciation Right granted under the Plan, or otherwise take action, to accelerate the time or times at which an Option or Stock Appreciation Right may be exercised; to extend the expiration date of an Award; to waive any other condition or restriction applicable to an Award or to the exercise of an Option or Stock Appreciation Right; to reduce the Exercise Price or Strike Price, as applicable, of an Option or Stock Appreciation Right; to amend the definition of a change in control of the Company (if such a definition is contained in such Grant Documents) to expand the events that would result in a change in control and to add a change in control provision to such Grant Documents (if such provision is not contained in such Grant Documents); and may amend any such Grant Documents in any other respect with the consent of the grantee.

(c) If required by any Legal Requirement, any amendment to the Plan or any Award will also be submitted to and approved by the requisite vote of the shareholders of the Company. If any Legal Requirement requires the Plan to be amended, or in the event any Legal Requirement is amended or supplemented (e.g., by addition of alternative rules) to permit the Company to remove or lessen any restrictions on or with respect to an Award, the Board and the Committee each reserve the right to amend the Plan or any Grant Documents evidencing an Award to the extent of any such requirement, amendment or supplement, and all Awards then outstanding will be subject to such amendment.

(d) Notwithstanding any provision of the Plan to the contrary, the Committee or the Board may not, without prior approval of the shareholders of the Company, reprice any outstanding Option by either lowering the Exercise Price thereof or canceling such outstanding Option in consideration of a grant having a lower Exercise Price. This paragraph 14(d) is intended to prohibit the repricing of "underwater" Options without prior shareholder approval and shall not be construed to prohibit the adjustments provided for in Section 15 hereof.

(e) The Plan may be terminated at any time by action of the Board. The termination of the Plan will not adversely affect the terms of any outstanding Award.

15. Adjustment of Shares; Effect of Certain Transactions. Notwithstanding any other provision of the Plan to the contrary, in the event of any change affecting the Shares subject to the Plan or any Award (through merger, consolidation, reorganization, recapitalization, dividend or other distribution (whether in the form of cash, Shares, other securities or other property), stock split, split-up, split-off, spin-off, combination of shares, exchange of shares, issuance of rights to subscribe, or other change in capital structure of the Company), appropriate adjustments or substitutions shall be made by the Committee or the Board as to the (i) Shares subject to the Plan, (ii) maximum number of Shares for which Awards may be granted to any one Associate, (iii) number of Shares and price per Share subject to outstanding Awards, and (iv) class of shares of stock that may be delivered under the Plan and/or each outstanding Award, as shall be equitable to prevent dilution or enlargement of rights under previously granted Awards. The determination of the Committee or Board as to these matters shall be conclusive.

16. General Provisions.

(a) No Associate or Eligible Person shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of Associates or Eligible Persons under the Plan.

(b) The Committee or Board shall be authorized to make adjustments in performance award criteria or in the terms and conditions of other Awards in recognition of unusual or nonrecurring events affecting the Company or its financial statements or changes in applicable laws, regulations or accounting principles. The Committee or Board may correct any defect, supply any omission, or reconcile any inconsistency in the Plan or any Award in the manner and to the extent it shall deem desirable to carry it into effect. In the event the Company shall assume outstanding employee benefit awards or the right or obligation to make future such awards in connection with the

acquisition of or combination with another corporation or business entity, the Committee or Board may, in their discretion, make such adjustments in the terms of Awards under the Plan as it shall deem appropriate.

(c) All certificates for Shares delivered under the Plan pursuant to any Award shall be subject to such stock transfer orders and other restrictions as the Committee or 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 state or Federal securities law, and the Committee or Board may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

(d) No Award granted hereunder shall be construed as an offer to sell securities of the Company, and no such offer shall be outstanding, unless and until the Committee or the Board in their sole discretion has determined that any such offer, if made, would be in compliance with all applicable requirements of the U.S. Federal securities laws and any other Legal Requirements to which such offer, if made, would be subject.

(e) The Committee or the Board shall be authorized to establish procedures pursuant to which the payment of any Award may be deferred. Subject to the provisions of the Plan and any Grant Documents, the recipient of an Award (including, without limitation, any deferred Award) may, if so determined by the Committee or the Board, be entitled to receive, currently or on a deferred basis, cash dividends, or cash payments in amounts equivalent to cash dividends on Shares (“dividend equivalents”), with respect to the number of Shares covered by the Award, as determined by the Committee or the Board, in their sole discretion, and the Committee or Board may provide that such amounts (if any) shall be deemed to have been reinvested in additional Shares or otherwise reinvested.

(f) The Company shall be authorized to withhold from any Award granted or payment due under the Plan the amount of withholding taxes due in respect of an Award or payment hereunder and to take such other action as may be necessary in the opinion of the Plan administrator to satisfy all obligations for the payment of such taxes, not to exceed the statutory minimum withholding obligation. The Committee or Board shall be authorized to establish procedures for election by grantees to satisfy such obligations for the payment of such taxes (i) by delivery of or transfer of Shares to the Company, (ii) with the consent of the Committee or the Board, by directing the Company to retain Shares otherwise deliverable in connection with the Award, (iii) by payment in cash of the amount to be withheld, or (iv) by withholding from any cash compensation otherwise due to the grantee.

(g) Nothing contained in this Plan shall prevent the Board from adopting other or additional compensation arrangements, subject to shareholder approval if required, and such arrangements may be either generally applicable or applicable only in specific cases.

(h) The validity, construction, and effect of the Plan and any rules and regulations relating to the Plan shall be determined in accordance with the laws of the state of Delaware and applicable Federal law.

(i) If any provision of this Plan is or becomes or is deemed invalid, illegal or unenforceable in any jurisdiction, or would disqualify the Plan or any Award under any law deemed applicable by the Committee or the Board, such provision shall be construed or deemed amended to conform to applicable law, or if it cannot be construed or deemed amended without, in the determination of the Committee or the Board, materially altering the intent of the Plan, it shall be stricken, and the remainder of the Plan shall remain in full force and effect.

(j) Awards may be granted to Eligible Persons who are foreign nationals or employed outside the United States, or both, on such terms and conditions different from those applicable to Awards to Employees employed in the United States as may, in the judgment of the Committee or the Board, be necessary or desirable in order to recognize differences in local law or tax policy. The Committee or Board also may impose conditions on the exercise or vesting of Awards in order to minimize the Company’s obligations with respect to tax equalization for Associates on assignments outside their home country.

(k) No Award shall be granted or exercised if the grant of the Award or the exercise and the issuance of shares or other consideration pursuant thereto would be contrary to the Legal Requirements of any duly constituted authority having jurisdiction.

(l) The Plan will not confer upon any Eligible Person or Associate any right with respect to continuance of employment or other service with the Company or any Subsidiary or Affiliated Company, nor will it interfere in any way with any right the Company or any Subsidiary or Affiliated Company would otherwise have to terminate an Eligible Person's or Associate's employment or other service at any time.

**AMENDMENT TO THE  
LIVERAMP, INC.  
2006 EQUITY INCENTIVE PLAN**

**WHEREAS**, LiveRamp, Inc. (the "Company") established and maintains the LiveRamp, Inc. 2006 Equity Incentive Plan (the "Plan");

**WHEREAS**, on July 1, 2014 the Company was acquired by Acxiom Corporation ("Acxiom") in accordance with the terms of that certain Merger Agreement dated May 12, 2014 (the "Merger Agreement"); and

**WHEREAS**, the Company desires to amend the Plan, consistent with Section 14.3.1 of the Plan, to reflect the terms of the Merger Agreement by converting all outstanding awards issued under the Plan to awards of Acxiom stock and by revising the Plan to state that all future awards will be issued in Acxiom stock.

**NOW, THEREFORE, BE IT HEREBY:**

**RESOLVED**, that the definition of "Common Stock" in Appendix A of the Plan is hereby amended and restated in its entirety as follows:

"Common Stock" means the common stock, par value \$.10 per share, of Acxiom Corporation or any security into which such common stock may be changed by reason of any transaction or event of the type described in Section 14 of the Plan.

**RESOLVED**, all references to Awards, Common Stock, stock, and similar terms will be understood to refer to Acxiom stock, including outstanding awards. Outstanding Awards and the number of authorized shares under the Plan will be adjusted to be stated in terms of Acxiom stock in accordance with the exchange ratio set forth in the Merger Agreement and consistent with Section 14.3.1 of the Plan.

IN WITNESS WHEREOF, the party hereto has executed this amendment as of the date first above written.

LIVERAMP, INC.

By: /s/ Jerry C. Jones

Name: Jerry C. Jones

Title: Chief Ethics and Legal Officer & Executive Vice President

ACXIOM CORPORATION, being the sole  
shareholder of LiveRamp, Inc.

By: /s/ Jerry C. Jones

Name: Jerry C. Jones

Title: Chief Ethics and Legal Officer & Executive Vice President

**LIVERAMP, INC.**  
**2006 EQUITY INCENTIVE PLAN**

**SECTION 1. PURPOSE**

The purpose of the LiveRamp, Inc. 2006 Equity Incentive Plan is to attract, retain and motivate employees, officers, directors, consultants, agents, advisors and independent contractors of the Company and its Related Companies by providing them the opportunity to acquire a proprietary interest in the Company and to link their interests and efforts to the long-term interests of the Company's stockholders.

**SECTION 2. DEFINITIONS**

Certain terms used in the Plan have the meanings set forth in Appendix A.

**SECTION 3. ADMINISTRATION**

**3.1 Administration of the Plan**

The Plan shall be administered by the Board. All references in the Plan to the "*Plan Administrator*" shall be applicable to the Board.

**3.2 Administration and Interpretation by Plan Administrator**

(a) Except for the terms and conditions explicitly set forth in the Plan, the Plan Administrator shall have full power and exclusive authority, to the extent permitted by applicable law and subject to such orders or resolutions not inconsistent with the provisions of the Plan as may from time to time be adopted by the Board to (i) select the Eligible Persons to whom Awards may from time to time be granted under the Plan; (ii) determine the type or types of Award to be granted to each Participant under the Plan; (iii) determine the number of shares of Common Stock to be covered by each Award granted under the Plan; (iv) determine the terms and conditions of any Award granted under the Plan; (v) approve the forms of agreements for use under the Plan; (vi) determine whether, to what extent and under what circumstances Awards may be settled in cash, shares of Common Stock or other property or canceled or suspended; (vii) determine whether, to what extent and under what circumstances cash, shares of Common Stock, other property and other amounts payable with respect to an Award shall be deferred either automatically or at the election of the Participant; (viii) interpret and administer the Plan and any instrument evidencing an Award; (ix) establish such rules and regulations as it shall deem appropriate for the proper administration of the Plan; (x) delegate administrative duties to such of the Company's employees as it so determines; and (xi) make any other determination and take any other action that the Plan Administrator deems necessary or desirable for administration of the Plan.

(b) Decisions of the Plan Administrator shall be final, conclusive and binding on all persons, including the Company, any Participant, any stockholder and any Eligible Person. A majority of the members of the Plan Administrator may determine its actions.

(c) The effect on the vesting of an Award of a Company-approved leave of absence or a Participant's working less than full-time shall be determined by the Company's chief human resources officer or other person performing that function or, with respect to directors or executive officers, by the Board, and its determination shall be final.

**SECTION 4. SHARES SUBJECT TO THE PLAN**

**4.1 Authorized Number of Shares**

Subject to adjustment from time to time as provided in Section 14.1, a maximum of Five Million Seven Hundred Fifty-Two Thousand Four Hundred Eighty (5,752,480) shares of Common Stock shall be available for issuance under the Plan. Shares

issued under the Plan shall be drawn from authorized and unissued shares or shares now held or subsequently acquired by the Company as treasury shares.

#### **4.2 Share Usage**

(a) Shares of Common Stock covered by an Award shall not be counted as used unless and until they are actually issued and delivered to a Participant. If any Award lapses, expires, terminates or is canceled prior to the issuance of shares thereunder or if shares of Common Stock are issued under the Plan to a Participant and thereafter are forfeited to or otherwise reacquired by the Company, the shares subject to such Awards and the forfeited or reacquired shares shall again be available for issuance under the Plan. Any shares of Common Stock (i) tendered by a Participant or retained by the Company as full or partial payment to the Company for the purchase price of an Award or to satisfy tax withholding obligations in connection with an Award or (ii) covered by an Award that is settled in cash or in a manner such that some or all of the shares covered by the Award are not issued shall be available for Awards under the Plan. The number of shares of Common Stock available for issuance under the Plan shall not be reduced to reflect any dividends or dividend equivalents that are reinvested into additional shares of Common Stock or credited as additional shares of Common Stock subject or paid with respect to an Award.

(b) The Plan Administrator shall also, without limitation, have the authority to grant Awards as an alternative to or as the form of payment for grants or rights earned or due under other compensation plans or arrangements of the Company.

(c) Notwithstanding anything in the Plan to the contrary, the Plan Administrator may grant Substitute Awards under the Plan. In the event that a written agreement between the Company and an Acquired Entity pursuant to which a merger or consolidation is completed is approved by the Board and that agreement sets forth the terms and conditions of the substitution for or conversion or assumption of outstanding awards of the Acquired Entity, those terms and conditions shall be deemed to be the action of the Plan Administrator without any further action by the Plan Administrator, except as may be required for compliance with Rule 16b-3 under the Exchange Act, and the persons holding such awards shall be deemed to be Participants.

(d) Notwithstanding the foregoing, the maximum number of shares that may be issued upon the exercise of Incentive Stock Options shall equal the aggregate share number stated in Section 4.1, subject to adjustment as provided in Section 14.1.

### **SECTION 5. ELIGIBILITY**

An Award may be granted to any employee, officer or director of the Company or a Related Company whom the Plan Administrator from time to time selects. An Award may also be granted to any consultant, agent, advisor or independent contractor for bona fide services rendered to the Company or any Related Company that (a) are not in connection with the offer and sale of the Company's securities in a capital-raising transaction and (b) do not directly or indirectly promote or maintain a market for the Company's securities.

### **SECTION 6. AWARDS**

#### **6.1 Form, Grant and Settlement of Awards**

The Plan Administrator shall have the authority, in its sole discretion, to determine the type or types of Awards to be granted under the Plan. Such Awards may be granted either alone, in addition to or in tandem with any other type of Award. Any Award settlement may be subject to such conditions, restrictions and contingencies as the Plan Administrator shall determine.

## **6.2 Evidence of Awards**

Awards granted under the Plan shall be evidenced by a written, including an electronic, agreement that shall contain such terms, conditions, limitations and restrictions as the Plan Administrator shall deem advisable and that are not inconsistent with the Plan.

## **6.3 Deferrals**

The Plan Administrator may permit or require a Participant to defer receipt of the payment of any Award. If any such deferral election is permitted or required, the Plan Administrator, in its sole discretion, shall establish rules and procedures for such payment deferrals, which may include the grant of additional Awards or provisions for the payment or crediting of interest or dividend equivalents, including converting such credits to deferred stock unit equivalents.

## **6.4 Dividends and Distributions**

Participants may, if the Plan Administrator so determines, be credited with dividends paid with respect to shares underlying an Award in a manner determined by the Plan Administrator in its sole discretion. The Plan Administrator may apply any restrictions to the dividends or dividend equivalents that the Plan Administrator deems appropriate. The Plan Administrator, in its sole discretion, may determine the form of payment of dividends or dividend equivalents, including cash, shares of Common Stock, Restricted Stock or Stock Units.

# **SECTION 7. OPTIONS**

## **7.1 Grant of Options**

The Plan Administrator may grant Options designated as Incentive Stock Options or Nonqualified Stock Options.

## **7.2 Option Exercise Price**

The exercise price for shares purchased under an Option shall be as established by the Plan Administrator. Notwithstanding the foregoing, to the extent required under applicable law, the exercise price for shares purchased under an Option shall not be less than (a) 85% of the Fair Market Value of the Common Stock on the Grant Date with respect to Nonqualified Stock Options, (b) the minimum exercise price required by Section 8.3 with respect to Incentive Stock Options, except in the case of Substitute Awards, and (c) in the case of an Option granted to a Participant who owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or its parent or subsidiary companies, 110% of the Fair Market Value of the Common Stock on the Grant Date.

## **7.3 Term of Options**

Subject to earlier termination in accordance with the terms of the Plan and the instrument evidencing the Option, the maximum term of an Option (the "**Option Term**") shall be as established for that Option by the Plan Administrator or, if not so established, shall be ten years from the Grant Date. For Incentive Stock Options, the Option Term shall be as specified in Section 8.4.

## **7.4 Exercise of Options**

The Plan Administrator shall establish and set forth in each instrument that evidences an Option the time at which, or the installments in which, the Option shall vest and become exercisable, any of which provisions may be waived or modified by the Plan Administrator at any time. If not so established in the instrument evidencing the Option, the Option shall vest and become exercisable according to the following schedule, which may be waived or modified by the Plan Administrator at any time:

<b>Period of Participant's Continuous Employment or Service With the Company or Its Related Companies From the Vesting Commencement Date</b>	<b>Portion of Total Option That Is Vested and Exercisable</b>
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After 1 year	¼
After each additional one-month period of continuous service completed thereafter	An additional 1/48
After 4 years	100%

To the extent an Option has vested and become exercisable, the Option may be exercised in whole or from time to time in part by delivery to the Company of a properly executed stock option exercise agreement or notice, in a form and in accordance with procedures established by the Plan Administrator, setting forth the number of shares with respect to which the Option is being exercised, the restrictions imposed on the shares purchased under such exercise agreement or notice, if any, and such representations and agreements as may be required by the Plan Administrator, accompanied by payment in full as described in Sections 7.5 and 12. An Option may be exercised only for whole shares and may not be exercised for less than a reasonable number of shares at any one time, as determined by the Plan Administrator.

#### **7.5 Payment of Exercise Price**

The exercise price for shares purchased under an Option shall be paid in full to the Company by delivery of consideration equal to the product of the Option exercise price and the number of shares purchased. Such consideration must be paid before the Company will issue the shares being purchased and must be in a form or a combination of forms acceptable to the Plan Administrator for that purchase, which forms may include:

- (a) cash;
- (b) check or wire transfer;
- (c) tendering (either actually or, if and so long as the Common Stock is registered under Section 12(b) or 12(g) of the Exchange Act, by attestation) shares of Common Stock that on the day prior to the exercise date have a Fair Market Value equal to the aggregate exercise price of the shares being purchased under the Option (such shares must have been owned by the Participant for at least six months or any shorter period necessary to avoid adverse accounting consequences to the Company);
- (d) if and so long as the Common Stock is registered under Section 12(b) or 12(g) of the Exchange Act, and to the extent permitted by law, delivery of a properly executed exercise agreement or notice, together with irrevocable instructions to a brokerage firm designated or approved by the Company to deliver promptly to the Company the aggregate amount proceeds to pay the Option exercise price and any withholding tax obligations that may arise in connection with the exercise, all in accordance with the regulations of the Federal Reserve Board; or
- (e) such other consideration as the Plan Administrator may permit.

In addition, to the extent permitted by law, to assist a Participant (including directors and executive officers) in acquiring shares of Common Stock pursuant to an Award granted under the Plan, the Plan Administrator, in its sole discretion, may authorize, either at the Grant Date or at any time before the acquisition of Common Stock pursuant to the Award, (i) the payment by a Participant of the purchase price of the Common Stock by a promissory note or (ii) the guarantee by the Company of a loan obtained by the Participant from a third party. Such notes or loans must be full recourse to the extent necessary to avoid charges to the Company's earnings for financial reporting purposes. Subject to the foregoing, the Plan Administrator shall in its sole discretion specify the terms of any loans or loan guarantees, including the interest rate and terms of and security for repayment.



## 7.6 Effect of Termination of Service

The Plan Administrator shall establish and set forth in each instrument that evidences an Option whether the Option shall continue to be exercisable, and the terms and conditions of such exercise, after a Termination of Service, any of which provisions may be waived or modified by the Plan Administrator at any time. If not so established in the instrument evidencing the Option, the Option shall be exercisable according to the following terms and conditions, which may be waived or modified by the Plan Administrator at any time:

- (a) Any portion of an Option that is not vested and exercisable on the date of a Participant's Termination of Service shall expire on such date.
- (b) Any portion of an Option that is vested and exercisable on the date of a Participant's Termination of Service shall expire on the earliest to occur of:
  - (i) if the Participant's Termination of Service occurs for reasons other than Cause, Retirement, Disability or death, the date that is three months after such Termination of Service;
  - (ii) if the Participant's Termination of Service occurs by reason of Retirement, Disability or death, the one-year anniversary of such Termination of Service; and
  - (iii) the last day of the Option Term (the "*Option Expiration Date*").

Notwithstanding the foregoing, if a Participant dies after the Participant's Termination of Service but while an Option is otherwise exercisable, the portion of the Option that is vested and exercisable on the date of such Termination of Service shall expire upon the earlier to occur of (y) the Option Expiration Date and (z) the one-year anniversary of the date of death, unless the Plan Administrator determines otherwise.

Also notwithstanding the foregoing, in case a Participant's Termination of Service occurs for Cause, all Options granted to the Participant shall automatically expire upon first notification to the Participant of such termination, unless the Plan Administrator determines otherwise. If a Participant's employment or service relationship with the Company is suspended pending an investigation of whether the Participant shall be terminated for Cause, all the Participant's rights under any Option shall likewise be suspended during the period of investigation. If any facts that would constitute termination for Cause are discovered after a Participant's Termination of Service, any Option then held by the Participant may be immediately terminated by the Plan Administrator, in its sole discretion.

(c) A Participant's change in status from an employee of the Company or a Related Company to a nonemployee director, consultant, advisor or independent contractor of the Company or a Related Company or a change in status from a nonemployee director, consultant, advisor or independent contractor of the Company or a Related Company to an employee of the Company or a Related Company shall not be considered a Termination of Service for purposes of this Section 7.6.

## SECTION 8. INCENTIVE STOCK OPTION LIMITATIONS

Notwithstanding any other provisions of the Plan, the terms and conditions of any Incentive Stock Options shall in addition comply in all respects with Section 422 of the Code or any successor provision and any applicable regulations thereunder, including, to the extent required thereunder, the following:

### 8.1 Dollar Limitation

To the extent the aggregate Fair Market Value (determined as of the Grant Date) of Common Stock with respect to which a Participant's Incentive Stock Options become exercisable for the first time during any calendar year (under the Plan and all other stock option plans of the Company and its parent and subsidiary corporations) exceeds \$100,000, such portion in excess of \$100,000 shall be treated as a Nonqualified Stock Option. In the event the Participant holds two or more such

Options that become exercisable for the first time in the same calendar year, such limitation shall be applied on the basis of the order in which such Options are granted.

## **8.2 Eligible Employees**

Individuals who are not employees of the Company or one of its parent or subsidiary corporations may not be granted Incentive Stock Options.

## **8.3 Exercise Price**

The exercise price of an Incentive Stock Option shall be at least 100% of the Fair Market Value of the Common Stock on the Grant Date and, in the case of an Incentive Stock Option granted to a Participant who owns more than 10% of the total combined voting power of all classes of the stock of the Company or of its parent or subsidiary corporations (a "**Ten Percent Stockholder**"), shall not be less than 110% of the Fair Market Value of the Common Stock on the Grant Date. The determination of more than 10% ownership shall be made in accordance with Section 422 of the Code.

## **8.4 Option Term**

Subject to earlier termination in accordance with the terms of the Plan and the instrument evidencing the Option, the Option Term of an Incentive Stock Option shall not exceed ten years, and in the case of an Incentive Stock Option granted to a Ten Percent Stockholder, shall not exceed five years.

## **8.5 Exercisability**

An Option designated as an Incentive Stock Option shall cease to qualify for favorable tax treatment as an Incentive Stock Option to the extent it is exercised (if permitted by the terms of the Option) (a) more than three months after the date of a Participant's Termination of Service if termination was for reasons other than death or Disability, (b) more than one year after the date of a Participant's Termination of Service if termination was by reason of Disability, or (c) after the Participant has been on leave of absence for more than 90 days, unless the Participant's reemployment rights are guaranteed by statute or contract.

## **8.6 Taxation of Incentive Stock Options**

In order to obtain certain tax benefits afforded to Incentive Stock Options under Section 422 of the Code, the Participant must hold the shares acquired upon the exercise of an Incentive Stock Option for two years after the Grant Date and one year after the date of exercise. A Participant may be subject to the alternative minimum tax at the time of exercise of an Incentive Stock Option. The Participant shall give the Company prompt notice of any disposition of shares acquired on the exercise of an Incentive Stock Option prior to the expiration of such holding periods.

## **8.7 Code Definitions**

For the purposes of this Section 8, "disability," "parent corporation" and "subsidiary corporation" shall have the meanings attributed to those terms for purposes of Section 422 of the Code.

## **8.8 Promissory Notes**

The amount of any promissory note delivered pursuant to Section 7.5 in connection with an Incentive Stock Option shall bear interest at a rate specified by the Plan Administrator, but in no case less than the rate required to avoid imputation of interest (taking into account any exceptions to the imputed interest rules) for federal income tax purposes.

## SECTION 9. STOCK APPRECIATION RIGHTS

### 9.1 Grant of Stock Appreciation Rights

The Plan Administrator may grant Stock Appreciation Rights to Participants at any time on such terms and conditions as the Plan Administrator shall determine in its sole discretion. An SAR may be granted in tandem with an Option or alone ("**freestanding**"). The grant price of a tandem SAR shall be equal to the exercise price of the related Option. The grant price of a freestanding SAR shall be determined in accordance with the procedure for Options set forth in Section 7.2. An SAR may be exercised upon such terms and conditions and for the term as the Plan Administrator determines in its sole discretion; provided, however, that, subject to earlier termination in accordance with the terms of the Plan and the instrument evidencing the SAR, the term of a freestanding SAR shall be as established for that SAR by the Plan Administrator or, if not so established, shall be ten years, and in the case of a tandem SAR, (a) the term shall not exceed the term of the related Option and (b) the tandem SAR may be exercised for all or part of the shares subject to the related Option upon the surrender of the right to exercise the equivalent portion of the related Option, except that the tandem SAR may be exercised only with respect to the shares for which its related Option is then exercisable.

### 9.2 Payment of SAR Amount

Upon the exercise of an SAR, a Participant shall be entitled to receive payment from the Company in an amount determined by multiplying: (a) the difference between the Fair Market Value of the Common Stock for the date of exercise over the grant price of the SAR by (b) the number of shares with respect to which the SAR is exercised. At the discretion of the Plan Administrator as set forth in the instrument evidencing the Award, the payment upon exercise of an SAR may be in cash, in shares, in some combination thereof or in any other manner approved by the Plan Administrator in its sole discretion.

## SECTION 10. STOCK AWARDS, RESTRICTED STOCK AND STOCK UNITS

### 10.1 Grant of Stock Awards, Restricted Stock and Stock Units

The Plan Administrator may grant Stock Awards, Restricted Stock and Stock Units on such terms and conditions and subject to such repurchase or forfeiture restrictions, if any, which may be based on continuous service with the Company or a Related Company or the achievement of any performance goals, as the Plan Administrator shall determine in its sole discretion, which terms, conditions and restrictions shall be set forth in the instrument evidencing the Award.

### 10.2 Vesting of Restricted Stock and Stock Units

Upon the satisfaction of any terms, conditions and restrictions prescribed with respect to Restricted Stock or Stock Units, or upon a Participant's release from any terms, conditions and restrictions of Restricted Stock or Stock Units, as determined by the Plan Administrator, and subject to the provisions of Section 12, (a) the shares of Restricted Stock covered by each Award of Restricted Stock shall become freely transferable by the Participant, and (b) Stock Units shall be paid in shares of Common Stock or, if set forth in the instrument evidencing the Award, in cash, or a combination of cash and shares of Common Stock. Any fractional shares subject to such Awards shall be paid to the Participant in cash.

### 10.3 Waiver of Restrictions

Notwithstanding any other provisions of the Plan, the Plan Administrator, in its sole discretion, may waive the repurchase or forfeiture period and any other terms, conditions or restrictions on any Restricted Stock or Stock Unit under such circumstances and subject to such terms and conditions as the Plan Administrator shall deem appropriate.

### 10.4 Minimum Purchase Price

Notwithstanding the forgoing, to the extent required by applicable law, the purchase price for any shares of Common Stock that may be purchased under the Plan ("**Stock Purchase Rights**") shall be at least 85% of the Fair Market Value of the Common Stock at the time the Participant is granted the Stock Purchase Right or at the time the purchase is consummated;

provided, however, that the purchase price shall be at least 100% of the Fair Market Value of the Common Stock at the time the Participant is granted the Stock Purchase Right or at the time the purchase is consummated in the case of any person who owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or its parent or subsidiary companies.

#### **SECTION 11. OTHER STOCK OR CASH-BASED AWARDS**

Subject to the terms of the Plan and such other terms and conditions as the Plan Administrator deems appropriate, the Plan Administrator may grant other incentives payable in cash or in shares of Common Stock under the Plan as it determines.

#### **SECTION 12. WITHHOLDING**

The Company may require the Participant to pay to the Company the amount of (a) any taxes that the Company is required by applicable federal, state, local or foreign law to withhold with respect to the grant, vesting or exercise of an Award (“*tax withholding obligations*”) and (b) any amounts due from the Participant to the Company or to any Related Company (“*other obligations*”). The Company shall not be required to issue any shares of Common Stock or otherwise settle an Award under the Plan until such tax withholding obligations and other obligations are satisfied.

The Plan Administrator may permit or require a Participant to satisfy all or part of the Participant’s tax withholding obligations and other obligations by (a) paying cash to the Company, (b) having the Company withhold an amount from any cash amounts otherwise due or to become due from the Company to the Participant, (c) having the Company withhold a number of shares of Common Stock that would otherwise be issued to the Participant (or become vested in the case of Restricted Stock) having a Fair Market Value equal to the tax withholding obligations and other obligations, or (d) surrendering a number of shares of Common Stock the Participant already owns having a value equal to the tax withholding obligations and other obligations. The value of the shares so withheld may not exceed the employer’s minimum required tax withholding rate, and the value of the shares so surrendered may not exceed such rate to the extent the Participant has owned the surrendered shares for less than six months if such limitation is necessary to avoid adverse accounting consequences to the Company.

#### **SECTION 13. ASSIGNABILITY**

No Award or interest in an Award may be sold, assigned, pledged (as collateral for a loan or as security for the performance of an obligation or for any other purpose) or transferred by a Participant or made subject to attachment or similar proceedings otherwise than by will or by the applicable laws of descent and distribution, except to the extent the Participant designates one or more beneficiaries on a Company-approved form who may exercise the Award or receive payment under the Award after the Participant’s death. During a Participant’s lifetime, an Award may be exercised only by the Participant. Notwithstanding the foregoing and to the extent permitted by Section 422 of the Code, the Plan Administrator, in its sole discretion, may permit a Participant to assign or transfer an Award, subject to such terms and conditions as the Plan Administrator shall specify.

#### **SECTION 14. ADJUSTMENTS**

##### **14.1 Adjustment of Shares**

In the event, at any time or from time to time, a dividend or other distribution (whether in the form of cash, shares of Common Stock, other securities or other property), stock split, spin-off, combination or exchange of shares, recapitalization, merger, consolidation, or other change in the Company’s corporate or capital structure results in (a) the outstanding shares of Common Stock, or any securities exchanged therefor or received in their place, being exchanged for a different number or kind of securities of the Company or any other company or (b) new, different or additional securities of the Company or any other company being received by the holders of shares of Common Stock, then the Plan Administrator shall make proportional adjustments in (i) the maximum number and kind of securities available for issuance under the Plan; (ii) the maximum number and kind of securities issuable as Incentive Stock Options as set forth in Section 4.2(d); and (iii) the number and kind of securities that are subject to any outstanding Award and the per share price of such securities, without any change

in the aggregate price to be paid therefor, as shall be equitable to prevent dilution or enlargement of rights under previously granted Awards.

The determination by the Plan Administrator as to the terms of any of the foregoing adjustments shall be conclusive and binding.

Notwithstanding the foregoing, the issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, for cash or property, or for labor or services rendered, either upon direct sale or 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, shall not affect, and no adjustment by reason thereof shall be made with respect to, outstanding Awards. Also notwithstanding the foregoing, a dissolution or liquidation of the Company or a Company Transaction shall not be governed by this Section 14.1 but shall be governed by Sections 14.2 and 14.3, respectively.

#### **14.2 Dissolution or Liquidation**

To the extent not previously exercised or settled, and unless otherwise determined by the Plan Administrator in its sole discretion, Options, Stock Appreciation Rights and Stock Units shall terminate immediately prior to the dissolution or liquidation of the Company. To the extent a vesting condition, forfeiture provision or repurchase right applicable to an Award has not been waived by the Plan Administrator, the Award shall be forfeited immediately prior to the consummation of the dissolution or liquidation.

#### **14.3 Company Transaction**

##### **14.3.1 Effect of a Company Transaction**

In the event of a Company Transaction that is not a Related Party Transaction, all outstanding Awards will be treated as the Plan Administrator determines (subject to the provisions of the following paragraph), without a Participant's consent. In taking any of the actions permitted by this Section 14.3, the Plan Administrator will not be obligated to treat all Awards, all Awards held by a Participant, or all Awards of the same type, similarly.

Notwithstanding any other provision of the Plan to the contrary, unless the Plan Administrator shall determine otherwise at the time of grant with respect to a particular Award, in the event of a Company Transaction that is not a Related Party Transaction, all outstanding Awards shall become fully and immediately exercisable, and all applicable deferral and restriction limitations and forfeiture provisions shall lapse, immediately prior to the Company Transaction, and then terminate upon effectiveness of the Company Transaction, unless such Awards are assumed, converted or substituted for by the Successor Company.

##### **14.3.2 Assumption, Conversion or Substitution**

For the purposes of this Section 14.3, an Award shall be considered assumed, converted or substituted for if following the Company Transaction, the option or right confers the right to purchase or receive, for each share of Common Stock subject to the Award immediately prior to the Company Transaction, the consideration (whether stock, cash, or other securities or property) received in the Company Transaction by holders of Common Stock for each share held at the effective time of the Company Transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding shares); provided, however, that if such consideration received in the Company Transaction is not solely common stock of the Successor Company, the Plan Administrator may, with the consent of the Successor Company, provide for the consideration to be received upon the exercise or settlement of the Award, for each share of Common Stock subject to the Award, to be solely common stock of the Successor Company substantially equal in fair market value to the per share consideration received by holders of Common Stock in the Company Transaction. The determination of such substantial equality of value of consideration shall be made by the Plan Administrator, and its determination shall be conclusive and binding.

#### **14.4 Further Adjustment of Awards**

Subject to Sections 14.2 and 14.3, the Plan Administrator shall have the discretion, exercisable at any time before a sale, merger, consolidation, reorganization, liquidation, dissolution or change in control of the Company, as defined by the Plan Administrator, to take such further action as it determines to be necessary or advisable with respect to Awards. Such authorized action may include (but shall not be limited to) establishing, amending or waiving the type, terms, conditions or duration of, or restrictions on, Awards so as to provide for earlier, later, extended or additional time for exercise, lifting restrictions and other modifications, and the Plan Administrator may take such actions with respect to all Participants, to certain categories of Participants or only to individual Participants. The Plan Administrator may take such action before or after granting Awards to which the action relates and before or after any public announcement with respect to such sale, merger, consolidation, reorganization, liquidation, dissolution or change in control that is the reason for such action.

#### **14.5 No Limitations**

The grant of Awards shall in no way affect the Company's right to adjust, reclassify, reorganize or otherwise change its capital or business structure or to merge, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets.

#### **14.6 Fractional Shares**

In the event of any adjustment in the number of shares covered by any Award, each such Award shall cover only the number of full shares resulting from such adjustment.

#### **14.7 Section 409A of the Code**

Notwithstanding anything in this Plan to the contrary, (a) any adjustments made pursuant to this Section 14 to Awards that are considered "deferred compensation" within the meaning of Section 409A of the Code shall be made in compliance with the requirements of Section 409A of the Code; (b) any adjustments made pursuant to Section 14 to Awards that are not considered "deferred compensation" subject to Section 409A of the Code shall be made in such a manner as to ensure that after such adjustment the Awards either (i) continue not to be subject to Section 409A of the Code or (ii) comply with the requirements of Section 409A of the Code; and (c) in any event, the Committee shall not have the authority to make any adjustments pursuant to Section 14 to the extent the existence of such authority would cause an Award that is not intended to be subject to Section 409A of the Code at the time of grant to be subject thereto.

### **SECTION 15. FIRST REFUSAL AND REPURCHASE RIGHTS**

#### **15.1 First Refusal Rights**

Until the date on which the initial registration of the Common Stock under Section 12(b) or 12(g) of the Exchange Act first becomes effective, the Company shall have the right of first refusal with respect to any proposed sale or other disposition by a Participant of any shares of Common Stock issued pursuant to an Award. Such right of first refusal shall be exercisable in accordance with the terms and conditions established by the Plan Administrator and set forth in the stock purchase agreement evidencing the purchase of the shares.

#### **15.2 Repurchase Rights for Unvested Shares**

The Plan Administrator may, in its sole discretion, authorize the issuance of unvested shares of Common Stock pursuant to the exercise of a Nonqualified Stock Option. Should the Participant cease to be employed by or provide services to the Company or a Related Company, then all shares of Common Stock issued upon exercise of an Option that are unvested at the time of cessation of employment or service relationship shall be subject to repurchase at the lesser of the exercise price paid for such shares and the Fair Market Value of the Common Stock at the time of repurchase. The terms and conditions upon which such repurchase right shall be exercisable (including the period and procedure for exercise) shall be established by the Plan Administrator and set forth in the stock purchase agreement evidencing the purchase of the shares.

Except as otherwise provided in the instrument evidencing the Award, in the event of a Company Transaction, the Company's repurchase rights shall automatically be assigned to the Successor Company; provided, however, that such repurchase rights shall automatically lapse if and to the same extent that the vesting schedule for outstanding Options accelerates in connection with the Company Transaction.

The Plan Administrator shall have the discretionary authority, exercisable either before or after a Participant's Termination of Service, to waive the Company's outstanding repurchase rights with respect to one or more shares purchased or purchasable by the Participant under an Option and thereby accelerate the vesting of such shares in whole or in part at any time.

### **15.3 Repurchase Conditions**

Notwithstanding the foregoing, to the extent required by applicable law, the Company's repurchase right set forth in Section 15.2 shall lapse at the rate of at least 20% of the shares per year over five years from the date the Award is granted and the right to repurchase shall be exercised for cash or cancellation of purchase money indebtedness for the shares within 90 days of termination of employment (or in the case of securities issued pursuant to Awards after the date of termination, within 90 days after the date of issuance); provided, however, that the securities held by an officer, director or consultant of the Company or a Related Company shall not be subject to these repurchase conditions.

### **15.4 General**

The Company may not exercise its first refusal or repurchase rights under Sections 15.1 or 15.2, respectively, earlier than six months and one day following the date the shares were purchased by a Participant (or any shorter period determined by the Company to be sufficient to avoid adverse accounting consequences to the Company or required by applicable law).

The Company's first refusal and repurchase rights under this Section 15 are assignable by the Company at any time.

## **SECTION 16. MARKET STANDOFF**

In the event of an underwritten public offering by the Company of its equity securities pursuant to an effective registration statement filed under the Securities Act, including the Company's initial public offering, no person may sell, make any short sale of, loan, hypothecate, pledge, grant any option for the purchase of, or otherwise dispose of or transfer for value or otherwise agree to engage in any of the foregoing transactions with respect to any shares issued pursuant to an Award granted under the Plan without the prior written consent of the Company or its underwriters. Such limitations shall be in effect for such period of time as may be requested by the Company or such underwriters; provided, however, that in no event shall such period exceed 180 days following the effective date of the registration statement. The limitations of this Section 16 shall in all events terminate two years after the effective date of the Company's initial public offering.

In the event of any stock split, stock dividend, recapitalization, combination of shares, exchange of shares or other change affecting the Company's outstanding Common Stock effected as a class without the Company's receipt of consideration, any new, substituted or additional securities distributed with respect to the purchased shares shall be immediately subject to the provisions of this Section 16, to the same extent the purchased shares are at such time covered by such provisions.

In order to enforce the limitations of this Section 16, the Company may impose stop-transfer instructions with respect to the purchased shares until the end of the applicable standoff period.

## **SECTION 17. AMENDMENT AND TERMINATION**

### **17.1 Amendment, Suspension or Termination**

The Board may amend, suspend or terminate the Plan or any portion of the Plan at any time and in such respects as it shall deem advisable; provided, however, that, to the extent required by applicable law, regulation or stock exchange rule,

stockholder approval shall be required for any amendment to the Plan. Subject to Section 17.3, the Board may amend the terms of any outstanding Award, prospectively or retroactively.

### **17.2 Term of the Plan**

The Plan shall have no fixed expiration date. After the Plan is terminated, no future Awards may be granted, but Awards previously granted shall remain outstanding in accordance with their applicable terms and conditions and the Plan's terms and conditions. Notwithstanding the foregoing, no Incentive Stock Options may be granted more than ten years after the later of (a) the adoption of the Plan by the Board and (b) the adoption by the Board of any amendment to the Plan that constitutes the adoption of a new plan for purposes of Section 422 of the Code. Notwithstanding the foregoing, no Award may be granted to a resident of California more than ten years after the earlier of the date of adoption of the Plan and the date the Plan is approved by the stockholders.

### **17.3 Consent of Participant**

The amendment, suspension or termination of the Plan or a portion thereof or the amendment of an outstanding Award shall not, without the Participant's consent, materially adversely affect any rights under any Award theretofore granted to the Participant under the Plan. Any change or adjustment to an outstanding Incentive Stock Option shall not, without the consent of the Participant, be made in a manner so as to constitute a "modification" that would cause such Incentive Stock Option to fail to continue to qualify as an Incentive Stock Option. Notwithstanding the foregoing, any adjustments made pursuant to Sections 14.2 and 14.3 shall not be subject to these restrictions.

## **SECTION 18. GENERAL**

### **18.1 No Individual Rights**

No individual or Participant shall have any claim to be granted any Award under the Plan, and the Company has no obligation for uniformity of treatment of Participants under the Plan.

Furthermore, nothing in the Plan or any Award granted under the Plan shall be deemed to constitute an employment contract or confer or be deemed to confer on any Participant any right to continue in the employ of, or to continue any other relationship with, the Company or any Related Company or limit in any way the right of the Company or any Related Company to terminate a Participant's employment or other relationship at any time, with or without cause.

### **18.2 Issuance of Shares**

Notwithstanding any other provision of the Plan, the Company shall have no obligation to issue or deliver any shares of Common Stock under the Plan or make any other distribution of benefits under the Plan unless, in the opinion of the Company's counsel, such issuance, delivery or distribution would comply with all applicable laws (including, without limitation, the requirements of the Securities Act or the laws of any state or foreign jurisdiction) and the applicable requirements of any securities exchange or similar entity.

The Company shall be under no obligation to any Participant to register for offering or resale or to qualify for exemption under the Securities Act, or to register or qualify under the laws of any state or foreign jurisdiction, any shares of Common Stock, security or interest in a security paid or issued under, or created by, the Plan, or to continue in effect any such registrations or qualifications if made.

As a condition to the exercise of an Option or any other receipt of Common Stock pursuant to an Award under the Plan, the Company may require (a) the Participant to represent and warrant at the time of any such exercise or receipt that such shares are being purchased or received only for the Participant's own account and without any present intention to sell or distribute such shares and (b) such other action or agreement by the Participant as may from time to time be necessary to comply with the federal, state and foreign securities laws. At the option of the Company, a stop-transfer order against any such shares may be placed on the official stock books and records of the Company, and a legend indicating that such shares may not be



pledged, sold or otherwise transferred, unless an opinion of counsel is provided (concurring in by counsel for the Company) stating that such transfer is not in violation of any applicable law or regulation, may be stamped on stock certificates to ensure exemption from registration. The Plan Administrator may also require the Participant to execute and deliver to the Company a purchase agreement or such other agreement as may be in use by the Company at such time that describes certain terms and conditions applicable to the shares.

To the extent the Plan or any instrument evidencing an Award provides for issuance of stock certificates to reflect the issuance of shares of Common Stock, the issuance may be effected on a noncertificated basis, to the extent not prohibited by applicable law or the applicable rules of any stock exchange.

### **18.3 Indemnification**

To the maximum extent permitted by law, each person who is or shall have been a member of the Board, or a committee appointed by the Board to whom authority was delegated in accordance with Section 3.1 shall be indemnified and held harmless by the Company against and from any loss, cost, liability or expense that may be imposed upon or reasonably incurred by such person in connection with or resulting from any claim, action, suit or proceeding to which such person may be a party or in which such person may be involved by reason of any action taken or failure to act under the Plan and against and from any and all amounts paid by such person in settlement thereof, with the Company's approval, or paid by such person in satisfaction of any judgment in any such claim, action, suit or proceeding against such person; provided, however, that such person shall give the Company an opportunity, at its own expense, to handle and defend the same before such person undertakes to handle and defend it on such person's own behalf, unless such loss, cost, liability or expense is a result of such person's own willful misconduct or except as expressly provided by statute.

The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such person may be entitled under the Company's certificate of incorporation or bylaws, as a matter of law, or otherwise, or of any power that the Company may have to indemnify such person or hold such person harmless.

### **18.4 No Rights as a Stockholder**

Unless otherwise provided by the Plan Administrator or in the instrument evidencing the Award or in a written employment, services or other agreement, no Option, Stock Appreciation Right or Stock Unit shall entitle the Participant to any cash dividend, voting or other right of a stockholder unless and until the date of issuance under the Plan of the shares that are the subject of such Award.

### **18.5 Compliance With Laws and Regulations**

In interpreting and applying the provisions of the Plan, any Option granted as an Incentive Stock Option pursuant to the Plan shall, to the extent permitted by law, be construed as an "incentive stock option" within the meaning of Section 422 of the Code.

### **18.6 Participants in Other Countries or Jurisdictions**

Without amending the Plan, the Plan Administrator may grant Awards to eligible persons who are foreign nationals on such terms and conditions different from those specified in the Plan, which may, in the judgment of the Plan Administrator, be necessary or desirable to foster and promote achievement of the purposes of the Plan and shall have the authority to adopt such modifications, procedures, and subplans and the like as may be necessary or desirable to comply with provisions of the laws or regulations of other countries or jurisdictions in which the Company or any Related Company may operate or have employees to ensure the viability of the benefits from Awards granted to Participants employed in such countries or jurisdictions, meet the requirements that permit the Plan to operate in a qualified or tax efficient manner, comply with applicable foreign laws or regulations and meet the objectives of the Plan.

### **18.7 No Trust or Fund**

The Plan is intended to constitute an “unfunded” plan. Nothing contained herein shall require the Company to segregate any monies or other property, or shares of Common Stock, or to create any trusts, or to make any special deposits for any immediate or deferred amounts payable to any Participant, and no Participant shall have any rights that are greater than those of a general unsecured creditor of the Company.

#### **18.8 Successors**

All obligations of the Company under the Plan with respect to Awards shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all the business and/or assets of the Company.

#### **18.9 Severability**

If any provision of the Plan or any Award is determined to be invalid, illegal or unenforceable in any jurisdiction, or as to any person, or would disqualify the Plan or any Award under any law deemed applicable by the Plan Administrator, such provision shall be construed or deemed amended to conform to applicable laws, or, if it cannot be so construed or deemed amended without, in the Plan Administrator’s determination, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction, person or Award, and the remainder of the Plan and any such Award shall remain in full force and effect.

#### **18.10 Choice of Law**

The Plan, all Awards granted thereunder and all determinations made and actions taken pursuant hereto, to the extent not otherwise governed by the laws of the United States, shall be governed by the laws of the State of California without giving effect to principles of conflicts of law.

#### **18.11 Financial Reports**

To the extent required by applicable law, the Company shall provide annual financial statements of the Company to each Participant. Such financial statements need not be audited and need not be issued to employees whose duties within the Company assure them access to equivalent information.

#### **18.12 Legal Requirements**

The granting of Awards and the issuance of shares of Common Stock under the Plan is subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required..

#### **18.13 Clawback**

All Awards granted pursuant to this Plan are subject to the Company’s “clawback policy” as may be in effect at the time.

### **SECTION 19. EFFECTIVE DATE**

The effective date (the “*Effective Date*”) is the date on which the Plan is adopted by the Board. If the stockholders of the Company do not approve the Plan within 12 months after the Board’s adoption of the Plan, (a) any Award exercised or settled before the stockholders of the Company approve the Plan shall be rescinded and any such shares shall not be counted in determining whether such stockholder approval is obtained, and (b) any Incentive Stock Options granted under the Plan will be treated as Nonqualified Stock Options.

## APPENDIX A

“**Acquired Entity**” means any entity acquired by the Company or a Related Company or with which the Company or a Related Company merges or combines.

“**Acquisition Price**” means the fair market value of the securities, cash or other property, or any combination thereof, receivable upon consummation of a Company Transaction in respect of a share of Common Stock.

“**Award**” means any Option, Stock Appreciation Right, Stock Award, Restricted Stock, Stock Unit or cash-based award or other incentive payable in cash or in shares of Common Stock, as may be designated by the Plan Administrator from time to time.

“**Board**” means the Board of Directors of the Company.

“**Cause,**” unless otherwise defined in the instrument evidencing the Award or in a written employment, services or other agreement between the Participant and the Company or a Related Company, means dishonesty, fraud, serious willful misconduct, unauthorized use or disclosure of confidential information or trade secrets, or conduct prohibited by law (except minor violations), in each case as determined by the Company’s chief human resources officer or other person performing that function or, in the case of directors and executive officers, the Board, each of whose determination shall be conclusive and binding.

“**Code**” means the Internal Revenue Code of 1986, as amended from time to time.

“**Common Stock**” means the common stock, par value \$0.0001 per share, of the Company or any security into which such common stock may be changed by reason of any transaction or event of the type described in Section 14.1 of the Plan.

“**Company**” means LiveRamp, Inc., a Delaware corporation.

“**Company Transaction,**” unless otherwise defined in the instrument evidencing the Award or in a written employment, services or other agreement between the Participant and the Company or a Related Company, means consummation of

- (a) a merger or consolidation of the Company with or into any other company or other entity,
- (b) a sale in one transaction or a series of transactions undertaken with a common purpose of at least 80% of the Company’s outstanding voting securities, or
- (c) a sale, lease, exchange or other transfer in one transaction or a series of related transactions undertaken with a common purpose of all or substantially all of the Company’s assets.

Where a series of transactions undertaken with a common purpose is deemed to be a Company Transaction, the date of such Company Transaction shall be the date on which the last of such transactions is consummated.

“**Disability,**” unless otherwise defined by the Plan Administrator or in the instrument evidencing the Award or in a written employment, services or other agreement between the Participant and the Company or a Related Company, means a mental or physical impairment of the Participant that is expected to result in death or that has lasted or is expected to last for a continuous period of 12 months or more and that causes the Participant to be unable to perform his or her material duties for the Company or a Related Company and to be engaged in any substantial gainful activity, in each case as determined by the Company’s chief human resources officer or other person performing that function or, in the case of directors and executive officers, the Board, each of whose determination shall be conclusive and binding.

“**Effective Date**” has the meaning set forth in Section 18.

“**Eligible Person**” means any person eligible to receive an Award as set forth in Section 5.

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended from time to time.

“**Fair Market Value**” means the per share fair market value of the Common Stock as established in good faith by the Board or, if the Common Stock is publicly traded, the average of the high and low trading prices for the Common Stock on any given date during regular trading or, if not trading on that date, such price on the last preceding date on which the Common Stock was traded, unless determined otherwise by the Plan Administrator using such methods or procedures as it may establish.

“**Grant Date**” means the later of (a) the date on which the Plan Administrator completes the corporate action authorizing the grant of an Award or such later date specified by the Plan Administrator or (b) the date on which all conditions precedent to an Award have been satisfied, provided that conditions to the exercisability or vesting of Awards shall not defer the Grant Date.

“**Incentive Stock Option**” means an Option granted with the intention that it qualify as an “incentive stock option” as that term is defined for purposes of Section 422 of the Code or any successor provision.

“**Nonqualified Stock Option**” means an Option other than an Incentive Stock Option.

“**Option**” means a right to purchase Common Stock granted under Section 7.

“**Option Expiration Date**” has the meaning set forth in Section 7.6.

“**Option Term**” means the maximum term of an Option as set forth in Section 7.3.

“**Participant**” means any Eligible Person to whom an Award is granted.

“**Plan**” means the LiveRamp, Inc. 2006 Equity Incentive Plan.

“**Plan Administrator**” has the meaning set forth in Section 3.1.

“**Related Company**” means any entity that, directly or indirectly, is in control of, is controlled by or is under common control with the Company.

“**Related Party Transaction**” means (a) a merger or consolidation of the Company in which the holders of the outstanding voting securities of the Company immediately prior to the merger or consolidation hold at least a majority of the outstanding voting securities of the Successor Company immediately after the merger or consolidation; (b) a sale, lease, exchange or other transfer of all or substantially all of the Company’s assets to a majority-owned subsidiary company; or (c) a transaction undertaken for the principal purpose of restructuring the capital of the Company, including, but not limited to, reincorporating the Company in a different jurisdiction, converting the Company to a limited liability company or creating a holding company.

“**Restricted Stock**” means an Award of shares of Common Stock granted under Section 10, the rights of ownership of which may be subject to **restrictions** prescribed by the Plan Administrator.

“**Retirement**,” unless otherwise defined in the instrument evidencing the Award or in a written employment, services or other agreement between the Participant and the Company or a Related Company, means “retirement” as defined for purposes of the Plan by the Plan Administrator or the Company’s chief human resources officer or other person performing that function or, if not so defined, means Termination of Service on or after the date the Participant reaches “normal retirement age,” as that term is defined in Section 411(a)(8) of the Code.

“**Securities Act**” means the Securities Act of 1933, as amended from time to time.

“**Stock Appreciation Right**” or “**SAR**” means a right granted under Section 9.1 to receive the excess of the Fair Market Value of a specified number of shares of Common Stock over the grant price.

**“Stock Award”** means an Award of shares of Common Stock granted under Section 10, the rights of ownership of which are not subject to restrictions prescribed by the Plan Administrator.

**“Stock Unit”** means an Award denominated in units of Common Stock granted under Section 10.

**“Substitute Awards”** means Awards granted or shares of Common Stock issued by the Company in assumption of, or in substitution or exchange for, awards previously granted by an Acquired Entity.

**“Successor Company”** means the surviving company, the successor company, the acquiring company or its parent, as applicable, in connection with a Company Transaction.

**“Termination of Service”** means a termination of employment or service relationship with the Company or a Related Company for any reason, whether voluntary or involuntary, including by reason of death, Disability or Retirement. Any question as to whether and when there has been a Termination of Service for the purposes of an Award and the cause of such Termination of Service shall be determined by the Company’s chief human resources officer or other person performing that function or, with respect to directors and executive officers, by the Board, and its determination shall be conclusive and binding. Transfer of a Participant’s employment or service relationship between the Company and any Related Company shall not be considered a Termination of Service for purposes of an Award. Unless the Board determines otherwise, a Termination of Service shall be deemed to occur if the Participant’s employment or service relationship is with an entity that has ceased to be a Related Company.

**“Vesting Commencement Date”** means the Grant Date or such other date selected by the Plan Administrator as the date from which the Award begins to vest.

**ARBOR EQUITY COMPENSATION PLAN  
OF  
ACXIOM CORPORATION**

1. Establishment and Purpose. In connection with the Merger, the shares of common stock of Arbor are being assumed and converted into Shares that will be available for grant and issuance under the Plan, consistent with Nasdaq Listing Rule 5635(c). This Arbor Equity Compensation Plan of Acxiom Corporation (the “Plan”) was established on December 5, 2016 in connection with the Merger. The purpose of the Plan is to further the growth and development of the Company and any of its present or future Subsidiaries and Affiliated Companies (as defined below) by allowing certain Associates (as defined below) to acquire or increase equity ownership in the Company, thereby offering such Associates a proprietary interest in the Company’s business and a more direct stake in its continuing welfare, and aligning their interests with those of the Company’s stockholders. The Plan is also intended to assist the Company in attracting and retaining talented Associates, who are vital to the continued development and success of the Company.

2. Definitions. The following capitalized terms, when used in the Plan, have the following meanings:

(a) “Act” means the Securities Exchange Act of 1934, as amended and in effect from time to time.

(b) “Affiliated Company” means any corporation, limited liability company, partnership, limited liability partnership, joint venture or other entity in which the Company or any of its Subsidiaries has an ownership interest.

(c) “Arbor” means Arbor Technologies, Inc., a Delaware corporation.

(d) “Associate” means any employee, officer (whether or not also a director), director, affiliate, independent contractor or consultant of the Company, a Subsidiary or an Affiliated Company who renders those types of services which tend to contribute to the success of the Company, its Subsidiaries or its Affiliated Companies, or which may reasonably be anticipated to contribute to the future success of the Company, its Subsidiaries or its Affiliated Companies.

(e) “Award” means the grant, pursuant to the Plan, of any Option, Stock Appreciation Right, Restricted Stock Award, Restricted Stock Unit Award, Performance Awards, Performance Share, Performance Unit, or Other Stock Unit Award. The terms and conditions applicable to an Award shall be set forth in applicable Grant Documents.

(f) “Award Agreement” means any written or electronic agreement, contract, or other document or instrument evidencing any Award granted by the Committee or the Board hereunder, which may, but need not, be executed or acknowledged by both the Company and the Participant.

(g) “Board” means the Board of Directors of the Company.

(h) “Code” means the Internal Revenue Code of 1986, as amended and in effect from time to time.

(i) “Common Stock” means the common stock, par value \$0.10 per share, of the Company or any security into which such common stock may be changed by reason of any transaction or event of the type described in Section 15 of the Plan.

(j) “Committee” means the Compensation Committee of the Board (as well as any successor to the Compensation Committee and any Company officers to whom authority has been lawfully delegated by the Compensation Committee). All of the members of the Committee, which may not be less than two, are intended at all times to qualify as “Independent Directors” within the meaning of the Nasdaq Listing Rules and “Non-Employee Directors” within the meaning of Rule 16b-3, and each of whom is “independent” as set forth in the applicable rules and regulations of the Securities and Exchange Commission and/or Nasdaq or any stock exchange upon which the Shares may be listed in the future; provided, however, that the failure of a member of such Committee to so qualify shall not be deemed to invalidate any Award granted by such Committee.

(k) “Date of Grant” means the date specified by the Committee or the Board, as applicable, on which a grant of an Award will become effective.

(l) “Exercise Period” means the period during which an Option shall vest and become exercisable by a Participant (or his or her representatives or transferees) as specified in Section 6(c) below.

(m) “Exercise Price” means the purchase price per share payable upon exercise of an Option.

(n) “Fair Market Value” means, as of any applicable determination date or for any applicable determination period, the closing price of the Company’s Common Stock as reported by Nasdaq (or any other stock exchange upon which the Common Stock may be listed for trading).

(o) “Grant Documents” means any written or electronic Award Agreement, memorandum, notice, and/or other document or instrument evidencing the terms and conditions of the grant of an Award by the Committee or the Board under the Plan, which may, but need not, be executed or acknowledged by both the Company and the Participant.

(p) “Incentive Stock Option” means an Option intended to be and designated as an “Incentive Stock Option” within the meaning of Section 422 of the Code.

(q) “Legal Requirements” means any laws, or any rules or regulations issued or promulgated by the Internal Revenue Service, the Securities and Exchange Commission, the National Association of Securities Dealers, Inc., Nasdaq (or any other stock exchange upon which the Common Stock may be listed for trading), or any other governmental or quasi-governmental agency having jurisdiction over the Company, the Common Stock, or the Plan.

(r) “Merger” means the consummation on November 21, 2016 of the transactions contemplated in the Merger Agreement by and between the Company, Arbor, and certain other parties executed on November 17, 2016, pursuant to which Arbor became a wholly owned Subsidiary of the Company.

(s) “Non-Qualified Stock Option” means any Option that is not an Incentive Stock Option.

(t) “Option” means an option granted to a Participant pursuant to the Plan to acquire a certain number of Shares at such price(s) and during such period(s) and under such other terms and conditions as the Committee or Board shall determine from time to time, provided that all Options granted under the Plan will be Non-Qualified Stock Options.

(u) “Other Stock Unit Award” means any right granted to a Participant by the Committee or Board pursuant to Section 10 hereof.

(v) “Participant” means an Associate who is selected by the Committee or the Board to receive an Award under the Plan.

(w) “Performance Award” means any Award of Performance Shares or Performance Units pursuant to Section 9 hereof.

(x) “Performance Goals” means the pre-established objective performance goals established by the Committee for each Performance Period. The Performance Goals may be based upon the performance of the Company (or a division, organization or other business unit thereof), a Subsidiary, an Affiliated Company, or of an individual Participant, using one or more of the Performance Measures selected by the Committee in its discretion. Performance Goals may be set at a specific level, or may be expressed as a relative percentage to the comparable measure at comparison companies or a defined index. Performance Goals shall, to the extent applicable, be based upon generally accepted accounting principles, but shall be adjusted by the Committee to take into account the effect of the following: changes in accounting standards that may be required by the Financial Accounting Standards Board after the Performance Goal is established; realized investment gains and losses; extraordinary, unusual, non-recurring, or infrequent items; “non-GAAP financial measures” that have been included in the Company’s quarterly earnings releases and disclosed to investors in accordance with SEC regulations; and other items as the Committee determines to be required so that the operating results of the Company (or a division, organization or other business unit thereof), a Subsidiary or an Affiliated Company shall be computed on a comparative basis from Performance Period to Performance Period. Determinations made by the Committee shall be based on relevant objective information and/or financial data, and shall be final and conclusive with respect to all affected parties.

(y) “Performance Measures” means one or more of the following criteria, on which Performance Goals may be based:

(a) earnings (either in the aggregate or on a per-Share basis, reflecting dilution of Shares as the Committee deems appropriate and, if the Committee so determines, net of or including dividends) before or after interest and taxes (“EBIT”) or before or after interest, taxes, depreciation, and amortization (“EBITDA”); (b) gross or net revenue or changes in annual revenues; (c) cash flow(s) (including operating, free or net cash flows); (d) financial return ratios; (e) total stockholder return, stockholder return based on growth measures or the attainment by the Shares of a specified value for a specified period of time, (f) Share price, or Share price appreciation; (g) earnings growth or growth in earnings per Share; (h) return measures, including return or net return on assets, net assets, equity, capital, investment, or gross sales; (i) adjusted pre-tax margin; (j) pre-tax profits; (k) operating margins; (l) operating profits; (m) operating expenses; (n) dividends; (o) net income or net operating income; (p) growth in operating earnings or growth in earnings per Share; (q) value of assets; (r) market share or market penetration with respect to specific designated products or product groups and/or specific geographic areas; (s) aggregate product price and other product measures; (t) expense or cost levels, in each case, where applicable, determined either on a company-wide basis or in respect of any one or more specified divisions; (u) reduction of losses, loss ratios or expense ratios; (v) reduction in fixed costs; (w) operating cost management; (x) cost of capital; (y) debt reduction; (z) productivity improvements; (aa) satisfaction of specified business expansion goals or goals relating to acquisitions or divestitures; (bb) customer satisfaction based on specified objective goals or a Company-sponsored customer survey; or (cc) Associate diversity goals.

Performance Measures may be applied on a pre-tax or post-tax basis, and may be based upon the performance of the Company (or a division, organization or other business unit thereof), a Subsidiary, an Affiliated Company, or of an individual Participant. The Committee may, at any time, provide that the Performance Goals for an Award may include or exclude items to

measure specific objectives, such as losses from discontinued operations, extraordinary gains or losses, the cumulative effect of accounting changes, acquisitions or divestitures, foreign exchange impacts, and any unusual nonrecurring gain or loss.

(z) "Performance Period" means that period established by the Committee or the Board at the time any Award is granted or at any time thereafter during which any performance goals specified by the Committee or the Board with respect to such Award are to be measured.

(aa) "Performance Share" means any grant pursuant to Section 9 hereof of a right to receive the value of a Share, or a portion or multiple thereof, which value may be paid to the Participant by delivery of such property as the Committee or Board shall determine, including, without limitation, cash, Shares, or any combination thereof, upon achievement of such performance goals during the Performance Period as the Committee or the Board shall establish at the time of such grant or thereafter.

(bb) "Performance Unit" means any grant pursuant to Section 9 hereof of a right to receive the value of property other than a Share, or a portion or multiple thereof, which value may be paid to the Participant by delivery of such property as the Committee or Board shall determine, including, without limitation, cash, Shares, or any combination thereof, upon achievement of such Performance Goals during the Performance Period as the Committee or the Board shall establish at the time of such grant or thereafter.

(cc) "Restricted Stock" means any Share issued with the restriction that the holder may not sell, transfer, pledge, or assign such Share and with such other restrictions as the Committee or the Board, in their sole discretion, may impose (including, without limitation, any forfeiture condition or any restriction on the right to vote such Share, and the right to receive any cash dividends), which restrictions may lapse separately or in combination at such time or times, in installments or otherwise, as the Committee or the Board may deem appropriate.

(dd) "Restricted Stock Award" means an award of Restricted Stock or Restricted Stock Units under Section 8 hereof.

(ee) "Restricted Stock Unit" means a right awarded to a Participant that, subject to Section 8(c), may result in the Participant's ownership of Shares upon, but not before, the lapse of restrictions related thereto.

(ff) "Restriction Period" means the period of time specified by the Committee or Board pursuant to Sections 8 and 10 below.

(gg) "Rule 16b-3" means Rule 16b-3 under Section 16 of the Act, as such Rule may be in effect from time to time.

(hh) "Shares" means the shares of Common Stock of the Company, \$0.10 par value, as may be adjusted in accordance with Section 15 of the Plan.

(ii) "Stock Appreciation Right" means the right pursuant to an Award granted under Section 7 of the Plan, to surrender to the Company all (or a portion) of such right and, if applicable, a related Option, and receive cash or shares of Common Stock in accordance with the provisions of Section 7.

(jj) "Strike Price" shall have the meaning set forth for such term in Section 7(b) of the Plan.

(kk) "Subsidiary" means any corporation, limited liability company, partnership, limited liability partnership, joint venture or other entity in which the Company owns or controls, directly or indirectly, not less than 50% of the total combined voting power or equity interests represented by all classes of stock, membership or other interests issued by such corporation, limited liability company, partnership, limited liability partnership, joint venture or other entity.

(ll) "Substitute Awards" shall mean Awards granted or Shares issued by the Company in assumption of, or in substitution or exchange for, awards previously granted, or the right or obligation to make future awards, by a company acquired by the Company or with which the Company combines.

3. Administration. The Plan shall be administered by the Committee and the Board. Except as otherwise provided herein, each of the Committee or the Board has the full authority and discretion to administer the Plan, and to take any action that is necessary or advisable in connection with the administration of the Plan including, without limitation, the authority and discretion to:

(a) select the Associates eligible to become Participants under the Plan;

(b) determine whether and to what extent Awards are to be granted;

(c) determine the number of Shares to be covered by each grant;

(d) determine the terms and conditions, not inconsistent with the terms of the Plan, of any grant hereunder (including, but not limited to, the term of the Award, the Exercise Price or Strike Price and any restriction, limitation, procedure, or deferral related thereto, provisions relating to the effect upon the Award of a Participant's cessation of employment, acceleration of vesting,



forfeiture provisions regarding an Award and/or the profits received by any Participant from receiving an Award of exercising an Option or Stock Appreciation Right, and any other terms and conditions regarding any Award, based in each case upon such guidelines and factors as the Committee or Board shall determine from time to time in their sole discretion);

(e) determine whether, to what extent and under what circumstances grants under the Plan are to be made and operate, whether on a tandem basis or otherwise, with other grants or awards (whether equity or cash based) made by the Company under or outside of the Plan; and

(f) delegate to one or more officers of the Company the right to grant Awards under the Plan, provided that such delegation is made in accordance with the provisions of applicable state and federal laws.

Each of the Committee and the Board shall have the authority to adopt, alter and repeal such rules, guidelines and practices governing the Plan as it shall from time to time deem advisable; to interpret the terms and provisions of the Plan and any Award granted under thereunder (and any Grant Documents relating thereto); and to otherwise supervise the administration of the Plan.

Each of the Committee and the Board shall also have the authority to provide, in their discretion, for the rescission, forfeiture, cancellation or other restriction of any Award granted under the Plan, or for the forfeiture, rescission or repayment to the Company by a Participant or former Participant of any profits or gains related to any Award granted hereunder, or other limitations, upon the occurrence of such prescribed events and under such circumstances as the Committee or the Board shall deem necessary and reasonable for the benefit of the Company; provided, however, that this provision shall have no application after a Change in Control Event (as defined below in Section 11) has occurred.

All decisions made by the Committee and the Board pursuant to the provisions of the Plan shall be made in the Committee's or Board's sole discretion and shall be final and binding on all persons including the Company and any Participant. No member of the Committee or Board will be liable for any such action taken or omitted to be taken or determination made in good faith.

#### 4. Shares Subject to the Plan.

(a) The total number of Shares which may be issued pursuant to the Plan shall not exceed (i) 232,664 Shares, the number of Shares that were reserved but not issued or subject to outstanding equity awards under Arbor's 2014 Equity Incentive Plan, as amended (the "Arbor Plan"), as of the effective date of the Plan and as adjusted to reflect the Merger, plus (ii) any Shares that otherwise would have returned to the Arbor Plan as a result of the termination of stock options granted under the Arbor Plan that were assumed by the Company in connection with the Merger. Such Shares may consist, in whole or in part, of authorized and unissued shares or treasury shares, as determined in the discretion of the Committee or the Board.

(b) If any Award made under the Plan is forfeited, any Option (and the related Stock Appreciation Right, if any), or any Stock Appreciation Right not related to an Option terminates, expires or lapses without being exercised, or any Stock Appreciation Right is exercised for cash, the Shares subject to such Awards that are, as a result, not delivered to the Participant shall again be available for delivery in connection with Awards. If a Stock Appreciation Right is exercised, only the number of Shares issued will be deemed delivered for purposes of determining the maximum number of Shares available for delivery under the Plan. If the Exercise Price of any Option is satisfied by delivering Shares to the Company (by either actual delivery or by attestation), only the number of Shares issued net of the Shares delivered or attested to shall be deemed delivered for purposes of determining the maximum number of Shares available for delivery pursuant to Awards under the Plan. To the extent any Shares subject to an Award are not delivered to a Participant because such Shares are used to satisfy an applicable tax withholding obligation, such Shares shall again be available for delivery in connection with Awards.

(c) Shares available for issuance or reissuance under the Plan will be subject to adjustment as provided in Section 15 below.

5. Eligible Participants. Subject to compliance with Nasdaq Listing Rule 5635(c), all Associates who were not employed by the Company or its Affiliated Companies as of November 21, 2016 shall be eligible to receive Awards and thereby become Participants in the Plan, regardless of such Associate's prior participation in the Plan or any other benefit plan of the Company.

#### 6. Options.

(a) Grant of Options. The Committee, the Board or their authorized designees may from time to time authorize grants of Options to any Participant upon such terms and conditions as the Committee or Board may determine in accordance with the provisions set forth in the Plan. Each grant will specify, among other things, the number of Shares to which it pertains; the Exercise Price, the form of payment to be made by the Participant for the Shares purchased upon exercise of any Option; the required period or periods (if any) of continuous service by the Participant with the Company, a Subsidiary or an Affiliated Company and/or any other conditions to be satisfied before the Options or installments thereof will vest and become exercisable. Options granted under the Plan will be Non-Qualified Options.

Each Option granted under this Plan will be evidenced by Grant Documents delivered to the Participant containing such further terms and provisions, not inconsistent with the Plan, as the Committee or Board may approve in their discretion.

(b) **Exercise Price.** The Exercise Price for each share of Common Stock purchasable under any Option shall be not less than 100% of the Fair Market Value per share on the Date of Grant as the Committee or Board shall specify. All such Exercise Prices shall be subject to adjustment as provided for in Section 15 hereof.

(c) **Exercise Period.** Subject to Section 11 hereof, the period during which an Option shall vest and become exercisable by a Participant (or his or her representative(s) or transferee(s)) whether during or after employment or following death, retirement or disability (the "Exercise Period") shall be such period of time as may be designated by the Committee or the Board as set forth in the Committee's or Board's applicable rules, guidelines and practices governing the Plan and/or in the Grant Documents executed in connection with such Option. If the Committee or Board provides, in their sole discretion, that any Option is exercisable only in installments, the Committee or Board may waive or accelerate such installment exercise provisions at any time at or after grant in whole or in part, based upon such factors as the Committee or Board shall determine, in their sole discretion.

(d) **Exercise of Option.** Subject to Section 11 hereof, an Option may be exercised by a Participant at any time and from time to time during the Exercise Period by giving written notice of such exercise to the Company specifying the number of shares of Common Stock to be purchased by the Participant. Such notice shall be accompanied by payment of the Exercise Price in accordance with subsection (e) below.

(e) **Payment for Shares.** Full payment of the Exercise Price for the Shares purchased upon exercise of an Option, together with the amount of any tax or excise due in respect of the sale and issue thereof, may be made in one of the following forms of payment:

(i) Cash, by check or electronic funds transfer;

(ii) Pursuant to procedures approved by the Company, through the sale (or margin) of Shares acquired upon exercise of the Option through a broker-dealer to whom the Participant has submitted an irrevocable notice of exercise and irrevocable instructions to deliver promptly to the Company the amount of sale (or if applicable margin loan) proceeds sufficient to pay for the Exercise Price, together with, if requested by the Company, the amount of federal, state, local or foreign withholding taxes payable by reason of such exercise;

(iii) By delivering previously-owned shares of Common Stock owned by the Participant for a period of at least six months having a Fair Market Value on the date upon which the Participant exercises his or her Option equal to the Exercise Price, or by delivering a combination of cash and shares of Common Stock equal to the aggregate Exercise Price;

(iv) By authorizing the Company to withhold a number of shares of Common Stock otherwise issuable to the Participant upon exercise of an Option having an aggregate Fair Market Value on the date upon which the Participant exercises his or her Option equal to the aggregate Exercise Price; or

(v) By any combination of the foregoing.

Provided, however, that the payment methods described in clause (iv) immediately above shall not be available to a Participant without the prior consent of either the Committee or its authorized designee(s), or if at any time the Company is prohibited from purchasing or acquiring Shares under applicable Legal Requirements. The Committee or the Board may permit a Participant to exercise an Option and defer the issuance of any Shares, subject to such rules and procedures as the Committee or Board may establish.

The Company will issue no certificates for Shares until full payment of the Exercise Price has been made, and a Participant shall have none of the rights of a stockholder until certificates for the Shares purchased are issued; provided however, that for purposes of this Section 6, full payment shall be deemed to have been received by the Company upon evidence of delivery to a broker-dealer of the irrevocable instructions contemplated by clause (ii) immediately above.

(f) **Withholding Taxes.** The Company may require a Participant exercising a Non-Qualified Stock Option or Stock Appreciation Right granted hereunder to reimburse the Company (or the entity which employs the Participant) for taxes required by any government to be withheld or otherwise deducted and paid by such corporation in respect of the issuance of the Shares. Such withholding requirements may be satisfied by any one of the following methods:

(i) A Participant may deliver cash in an amount which would satisfy the withholding requirement;

(ii) A Participant may deliver previously-owned Shares (based upon the Fair Market Value of the Common Stock on the date of exercise) in an amount which would satisfy the withholding requirement; or

(iii) With the prior consent of either the Committee or the Board, or its authorized designees, a Participant may request that the Company (or the entity which employs the Participant) withhold from the number of Shares otherwise issuable to the Participant upon exercise of an Option such number of Shares (based upon the Fair Market Value of the Common Stock on the date of exercise) as is necessary to satisfy the withholding requirement.

(g) Conditions to Exercise of Options. The Committee or the Board may, in their discretion, require as conditions to the exercise of Options or Stock Appreciation Rights and the issuance of shares thereunder either (a) that a registration statement under the Securities Act of 1933, as amended, with respect to the Options or Stock Appreciation Rights and the shares to be issued upon the exercise thereof, containing such current information as is required by the Rules and Regulations under said Act, shall have become, and continue to be, effective; or (b) that the Participant or his or her transferee(s) (i) shall have represented, warranted and agreed, in form and substance satisfactory to the Company, both that he or she is acquiring the Option or Stock Appreciation Right and, at the time of exercising the Option or Stock Appreciation Right, that he or she is acquiring the shares for his/her own account, for investment and not with a view to or in connection with any distribution; (ii) shall have agreed to restrictions on transfer, in form and substance satisfactory to the Company; and (iii) shall have agreed to an endorsement which makes appropriate reference to such representations, warranties, agreements and restrictions both on the option and on the certificate representing the shares.

(h) Use of Proceeds. Proceeds realized from the sale of Common Stock pursuant to Options granted hereunder shall constitute general funds of the Company.

## 7. Stock Appreciation Rights.

(a) When granted, Stock Appreciation Rights may, but need not be, identified with a specific Option (including any Option granted on or before the Date of Grant of the Stock Appreciation Rights) in a number equal to or different from the number of Stock Appreciation Rights so granted. If Stock Appreciation Rights are identified with Shares subject to an Option, then, unless otherwise provided in the applicable Grant Documents, the Participant's associated Stock Appreciation Rights shall terminate upon the expiration, termination, forfeiture or cancellation of such Option or the exercise of such Option.

(b) The Strike Price of any Stock Appreciation Right shall (i) for any Stock Appreciation Right that is identified with an Option, equal the Exercise Price of such Option, or (ii) for any other Stock Appreciation Right, be not less than 100% of the Fair Market Value of a Share of Common Stock on the Date of Grant as the Committee or Board shall specify. The duration of any Stock Appreciation Right shall be for such period as determined by the Committee or Board in its sole discretion, not to exceed ten years.

(c) Subject to Section 11 hereof, (i) each Stock Appreciation Right which is identified with any Option grant shall vest and become exercisable by a Participant as and to the extent that the related Option with respect to which such Stock Appreciation Right is identified may be exercised; and (ii) each other Stock Appreciation Right shall vest and become exercisable by a Participant, whether during or after employment or following death, retirement or disability, at such time or times as may be designated by the Committee or Board as set forth in the applicable rules, guidelines and practices governing the Plan and/or the Grant Documents executed in connection with such Stock Appreciation Right.

(d) Subject to Section 11 hereof, Stock Appreciation Rights may be exercised by a Participant by delivery to the Company of written notice of intent to exercise a specific number of Stock Appreciation Rights. Unless otherwise provided in the applicable Grant Documents, the exercise of Stock Appreciation Rights which are identified with Shares of Common Stock subject to an Option shall result in the cancellation or forfeiture of such Option to the extent of the exercise of such Stock Appreciation Right.

(e) The benefit to the Participant for each Stock Appreciation Right exercised shall be equal to (i) the Fair Market Value of a Share of Common Stock on the date of exercise, minus (ii) the Strike Price of such Stock Appreciation Right. Such benefit shall be payable in cash, except that the Committee or Board may provide in the applicable rules, guidelines and practices governing the Plan and/or the Grant Documents that benefits may be paid wholly or partly in Shares of Common Stock.

## 8. Restricted Stock Awards.

(a) Issuance. A Restricted Stock Award shall be subject to restrictions imposed by the Committee or the Board during a period of time specified by the Committee or Board (the "Restriction Period"). Restricted Stock Awards may be issued hereunder to Participants for no cash consideration or for such minimum consideration as may be required by applicable law, either alone or in addition to other Awards granted under the Plan. The provisions of Restricted Stock Awards need not be the same with respect to each Participant.

### (b) Restricted Stock.

(i) The Company may grant Restricted Stock to those Associates the Committee or the Board may select in their sole discretion. Each Award of Restricted Stock shall have those terms and conditions that are expressly set forth in or are required by the Plan and the Grant Documents as the Committee or the Board may determine in their discretion.

(ii) While any restriction applies to any Participant's Restricted Stock, (a) unless the Committee or the Board provides otherwise, the Participant shall receive the dividends paid on the Restricted Stock and shall not be required to return those dividends to the Company in the event of the forfeiture of the Restricted Stock; (b) the Participant shall receive the proceeds of the Restricted Stock in any stock split, reverse stock split, recapitalization, or other change in the capital structure of the Company, which proceeds shall automatically and without need for any other action become Restricted Stock and be subject to all restrictions

then existing as to the Participant's Restricted Stock; and (c) the Participant shall be entitled to vote the Restricted Stock during the Restriction Period.

(iii) The Restricted Stock will be delivered to the Participant subject to the understanding that while any restriction applies to the Restricted Stock, the Participant shall not have the right to sell, transfer, assign, convey, pledge, hypothecate, grant any security interest in or mortgage on, or otherwise dispose of or encumber any shares of Restricted Stock or any interest therein. As a result of the retention of rights in the Restricted Stock by the Company, except as required by any applicable law, neither any shares of the Restricted Stock nor any interest therein shall be subject in any manner to any forced or involuntary sale, transfer, conveyance, pledge, hypothecation, encumbrance, or other disposition or to any charge, liability, debt, or obligation of the Participant, whether as the direct or indirect result of any action of the Participant or any action taken in any proceeding, including any proceeding under any bankruptcy or other creditors' rights law. Any action attempting to effect any transaction of that type shall be void.

(iv) Unless other provisions are specified in the Grant Documents or Plan guidelines which may be adopted by the Committee or the Board from time to time, any Restricted Stock held by the Participant at the time the Participant ceases to be an Associate for any reason shall be forfeited by the Participant to the Company and automatically re-conveyed to the Company.

(v) The Committee or the Board may withhold, in accordance with Section 16(f) hereof, any amounts necessary to collect any withholding taxes upon any taxable event relating to Restricted Stock.

(vi) The making of an Award of Restricted Stock and delivery of any Restricted Stock is subject to compliance by the Company with all applicable Legal Requirements. The Company need not issue or transfer Restricted Stock pursuant to the Plan unless the Company's legal counsel has approved all legal matters in connection with the delivery of the Restricted Stock.

(vii) The Restricted Stock will be book-entry Shares only unless the Committee or the Board decides to issue certificates to evidence any shares of Restricted Stock. The Company may place stop-transfer instructions with respect to all Restricted Stock on its stock transfer records.

(viii) At the time of grant of Restricted Stock (or at such earlier or later time as the Committee or the Board determines to be appropriate in light of the provisions of Code Section 409A), the Committee or the Board may permit a Participant of an Award of Restricted Stock to defer receipt of his or her Restricted Stock in accordance with rules and procedures established by the Committee or the Board. Alternatively, the Committee or the Board may, in their discretion and at the times provided above, permit an individual who would have been a Participant with respect to an Award of Restricted Stock, to elect instead to receive an equivalent Award of Restricted Stock Units, and the Committee or the Board may permit the Participant to elect to defer receipt of Shares under the Restricted Stock Units in accordance with Section 8(c)(viii).

(ix) The minimum Restriction Period applicable to any Award of Restricted Stock that is not subject to performance conditions restricting the grant size, the transfer of the shares, or the vesting of the award shall be two (2) years from the date of grant; provided, however, that a Restriction Period of less than two (2) years may be approved under the Plan for such Awards with respect to up to a total of 100,000 Shares.

(c) Restricted Stock Units.

(i) The Company may grant Restricted Stock Units to those Associates as the Committee or the Board may select in its sole discretion. Restricted Stock Units represent the right to receive Shares in the future, at such times, and subject to such conditions as the Committee or the Board shall determine. The restrictions imposed shall take into account potential tax treatment under Code Section 409A.

(ii) Until the Restricted Stock Unit is released from restrictions and any Shares subject thereto are delivered to the Participant, the Participant shall not have any beneficial ownership in any Shares subject to the Restricted Stock Unit, nor shall the Participant have the right to sell, transfer, assign, convey, pledge, hypothecate, grant any security interest in or mortgage on, or otherwise dispose of or encumber any Restricted Stock Unit or any interest therein. Except as required by any law, no Restricted Stock Unit nor any interest therein shall be subject in any manner to any forced or involuntary sale, transfer, conveyance, pledge, hypothecation, encumbrance, or other disposition or to any charge, liability, debt, or obligation of the Participant, whether as the direct or indirect result of any action of the Participant or any action taken in any proceeding, including any proceeding under any bankruptcy or other creditors' rights law. Any action attempting to effect any transaction of that type shall be void.

(iii) Upon the lapse of the restrictions, the Participant holder of Restricted Stock Units shall, except as noted below, be entitled to receive, as soon as administratively practical, (a) that number of Shares subject to the Award that are no longer subject to restrictions, (b) cash in an amount equal to the Fair Market Value of the number of Shares subject to the Award that are no longer subject to restrictions, or (c) any combination of Shares and cash, as the Committee or the Board shall determine in their sole discretion, or shall have specified at the time the Award was granted.

(iv) Restricted Stock Units and the entitlement to Shares, cash, or any combination thereunder will be forfeited and all rights of a Participant to such Restricted Stock Units and the Shares thereunder will terminate if the applicable restrictions are not

satisfied.

(v) A Participant holder of Restricted Stock Units is not entitled to any rights of a holder of the Shares (e.g., voting rights and dividend rights), prior to the receipt of such Shares pursuant to the Plan. The Committee or the Board may, however, provide in the Grant Documents that the Participant shall be entitled to receive dividend equivalent payments on Restricted Stock Units, on such terms and conditions as the Grant Documents may specify.

(vi) The Committee or the Board may withhold, in accordance with Section 16(f) hereof, any amounts necessary to collect any withholding taxes upon any taxable event relating to any Restricted Stock Units.

(vii) The granting of Restricted Stock Units and the delivery of any Shares is subject to compliance by the Company with all applicable Legal Requirements.

(viii) At the time of grant of Restricted Stock Units (or at such earlier or later time as the Committee or the Board determines to be appropriate in light of the provisions of Code Section 409A), the Committee or the Board may permit a Participant to elect to defer receipt of the Shares or cash to be delivered upon lapse of the restrictions applicable to the Restricted Stock Units in accordance with rules and procedures that may be established from time to time by the Committee or the Board. Such rules and procedures shall take into account potential tax treatment under Code Section 409A, and may provide for payment in Shares or cash.

## 9. Performance Awards.

(a) Grant. The Company may grant Performance Awards to Associates on any terms and conditions the Committee or the Board deem desirable. Each Award of Performance Awards shall have those terms and conditions that are expressly set forth in, or are required by, the Plan and the Grant Documents.

(b) Performance Goals. The Committee or the Board may set Performance Goals which, depending on the extent to which they are met during a Performance Period, will determine the number of Performance Shares or Performance Units that will be delivered to a Participant at the end of the Performance Period. The Performance Goals may be set at threshold, target, and maximum performance levels, and the number of Performance Shares or Performance Units to be delivered may be tied to the degree of attainment of the various performance levels specified under the various Performance Goals during the Performance Period. No payment shall be made with respect to a Performance Award if any specified threshold performance level is not attained.

(c) Beneficial Ownership. A Participant receiving a Performance Award shall not have any beneficial ownership in any Shares subject to such Award until Shares are delivered in satisfaction of the Award, nor shall the Participant have the right to sell, transfer, assign, convey, pledge, hypothecate, grant any security interest in or mortgage on, or otherwise dispose of or encumber any Performance Award or any interest therein. Except as required by any law, neither the Performance Award nor any interest therein shall be subject in any manner to any forced or involuntary sale, transfer, conveyance, pledge, hypothecation, encumbrance, or other disposition or to any charge, liability, debt, or obligation of the Participant, whether as the direct or indirect result of any action of the Participant or any action taken in any proceeding, including any proceeding under any bankruptcy or other creditors' rights law. Any action attempting to effect any transaction of that type shall be void.

(d) Determination of Achievement of Performance Awards. The Committee or the Board shall, promptly after the date on which the necessary financial, individual or other information for a particular Performance Period becomes available, determine and certify the degree to which each of the Performance Goals have been attained.

(e) Payment of Performance Awards. After the applicable Performance Period has ended, a recipient of a Performance Award shall be entitled to payment based on the performance level attained with respect to the Performance Goals applicable to the Performance Award. Performance Awards shall be settled as soon as practicable after the Committee or Board determines and certifies the degree of attainment of Performance Goals for the Performance Period. Subject to the terms and conditions of the Grant Documents, payment to a Participant with respect to a Performance Award may be made (a) in Shares, (b) in cash, or (c) any combination of Shares and cash, as the Committee or the Board may determine at any time in their sole discretion.

(f) Limitation on Rights /Withholding. A recipient of a Performance Award is not entitled to any rights of a holder of the Shares (e.g. voting rights and dividend rights), prior to the receipt of such Shares pursuant to the Plan. The Committee or the Board may, however, provide in the Grant Documents that the Participant shall be entitled to receive dividend equivalent payments in an amount commensurate with earned Performance Awards, on such terms and conditions as the Grant Documents may specify. The Committee or the Board may withhold, in accordance with Section 16(f) hereof, any amounts necessary to collect any withholding taxes upon any taxable event relating to Performance Awards.

10. Other Stock Unit Awards. Other Awards of Shares and other Awards that are valued in whole or in part by reference to, or are otherwise based on, Shares or other property ("Other Stock Unit Awards") may be granted hereunder to Participants, either alone or in addition to other Awards granted under the Plan. Other Stock Unit Awards may be paid in Shares, cash or any other form of property as the Committee or the Board may determine. Subject to the provisions of the Plan, the Committee or the Board

shall have sole and complete authority to determine the Associates to whom such Awards shall be made, the times at which such Awards shall be made, the number of Shares to be granted pursuant to such Awards, and all other terms and conditions of such Awards. The provisions of Other Stock Unit Awards need not be the same with respect to each Participant. For any Award or Shares subject to any Award made under this Section, the vesting of which is conditioned only on the passage of time, such Restriction Period shall be a minimum of two (2) years for full vesting. Shares (including securities convertible into Shares) subject to Awards granted under this Section may be issued for no cash consideration or for such minimum consideration as may be required by applicable law.

11. Change in Control. Notwithstanding any other provision of the Plan to the contrary, upon the occurrence of a transaction involving the consummation of a reorganization, merger, consolidation or similar transaction involving the Company (other than a reorganization, merger, consolidation or similar transaction in which the Company's shareholders immediately prior to such transaction own more than 50% of the combined voting power entitled to vote in the election of directors of the surviving corporation), a sale of all or substantially all of its assets, the liquidation or dissolution of the Company, the acquisition of a significant percentage, which shall be no less than beneficial ownership (within the meaning of Rule 13d-3 under the Act) of 20%, of the voting power of the Company, (each a "Change in Control Event"), which shall not include preliminary transaction activities such as receipt of a letter of interest, receipt of a letter of intent or an agreement in principle, each outstanding Award will be treated as the Committee or Board may determine (subject to the provisions of the following paragraph), without a Participant's consent, including, without limitation, that (A) Awards will be assumed, or substantially equivalent Awards will be substituted, by the acquiring or succeeding corporation (or affiliate thereof), with appropriate adjustments as to the number and kind of shares and prices; (B) upon written or electronic notice to a Participant, that the Participant's Awards will terminate upon or immediately prior to the consummation of such Change in Control Event; (C) that, to the extent the Committee or Board may determine, in whole or in part prior to or upon consummation of such Change in Control Event, (i) Options and Stock Appreciation Rights may become immediately exercisable; (ii) restrictions and deferral limitations applicable to any Restricted Stock or Restricted Stock Unit Award may become free of all restrictions and limitations and become fully vested and transferable; (iii) all Performance Awards may be considered to be prorated, and any deferral or other restriction may lapse and such Performance Awards may be immediately settled or distributed (provided, for purposes of clarification, that any Performance Award converted into an Award that provides for service-based vesting will be treated in accordance with clause (ii) of this subsection 11(C)); and (iv) the restrictions and deferral limitations and other conditions applicable to any Other Stock Unit Awards or any other Awards granted under the Plan may lapse and such Other Stock Unit Awards or such other Awards may become free of all restrictions, limitations or conditions and become fully vested and transferable to the full extent of the Award not previously forfeited or vested; (D) the termination of an Award in exchange for an amount equal to the excess of the fair market value of the Shares subject to the Award immediately prior to the occurrence of such transaction (which shall be no less than the value being paid for such Shares pursuant to such transaction as determined by the Committee or Board) over the Exercise Price or Strike Price, if applicable, of such Award, with such amount payable in cash, in one or more of the kinds of property payable in such transaction, or in a combination thereof, as the Committee or Board in their discretion shall determine, or (E) any combination of the foregoing. In taking any of the actions permitted by this Section 11, the Committee or Board will not be obligated to treat all Awards, all Awards held by a Participant, or all Awards of the same type, similarly. Notwithstanding the definition of Change in Control Event above in this Section 11, to the extent required to avoid the adverse tax consequences under Section 409A of the Code, a Change in Control Event shall be deemed to occur only to the extent it also meets the requirements for a change in control event for purposes of Section 409A of the Code.

In the event that the successor corporation does not assume or substitute for the Award (or portion thereof), (i) Options and Stock Appreciation Rights will vest and become immediately exercisable; (ii) restrictions and deferral limitations applicable to any Restricted Stock or Restricted Stock Unit Award will become free of all restrictions and limitations and become fully vested and transferable; (iii) all Performance Awards will be considered to be prorated, and any deferral or other restriction will lapse and such Performance Awards will be immediately settled or distributed; and (iv) the restrictions and deferral limitations and other conditions applicable to any Other Stock Unit Awards or any other Awards granted under the Plan will lapse and such Other Stock Unit Awards or such other Awards will become free of all restrictions, limitations or conditions and become fully vested and transferable to the full extent of the Award not previously forfeited or vested. In addition, if an Option or Stock Appreciation Right is not assumed or substituted in the event of a Change in Control Event, the Committee or Board will notify the Participant in writing or electronically that the Option or Stock Appreciation Right will be exercisable for a period of time determined by the Committee or Board in its sole discretion, and the Option or Stock Appreciation Right will terminate upon the expiration of such period.

For the purposes of this Section 11, an Award will be considered assumed if, following the Change in Control Event, the Award confers the right to purchase or receive, for each Share subject to the Award immediately prior to the Change in Control Event, the consideration (whether stock, cash, or other securities or property) received in the Change in Control Event by holders of Common Stock for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the Change in Control Event is not solely common stock of the successor corporation or its parent entity, the Committee or Board may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of an Option or Stock Appreciation Right or upon the payout of any other Award, for each Share subject to such Award, to be solely common stock of the successor corporation or its parent entity equal in fair market value to the per share consideration received by holders of Common Stock in the Change in Control Event.

Notwithstanding anything in this Section 11 to the contrary, an Award that vests, is earned or paid-out upon the satisfaction of one or more Performance Goals will not be considered assumed if the Company or its successor modifies any of such Performance Goals without the Participant's consent; provided, however, a modification to such Performance Goals only to reflect the successor corporation's post-Change in Control Event corporate structure will not be deemed to invalidate an otherwise valid Award assumption.

## 12. Transferability of Awards.

(a) Awards (subject to the limitations in paragraph (b) below) granted under the Plan may be transferred by a Participant to: (i) the Participant's family members (whether related by blood, marriage, or adoption and including a former spouse); (ii) trust(s) in which the Participant's family members have a greater than 50% beneficial interest; (iii) trusts, including but not limited to charitable remainder trusts, or similar vehicles established for estate planning and/or charitable giving purposes; and (iv) family partnerships and/or family limited liability companies which are controlled by the Participant or the Participant's family members, such transfers being permitted to occur by gift or pursuant to a domestic relation order, or, only in the case of transfers to the entities described in clauses (i), (ii) and (iii) immediately above, for value. The Committee or Board, or their authorized designees may, in their sole discretion, permit transfers of Awards to other persons or entities upon the request of a Participant. Subsequent transfers of previously transferred Awards may only be made to one of the permitted transferees named above, unless the subsequent transfer has been approved by the Committee or the Board, or their authorized designee(s). Otherwise, such transferred Awards may be transferred only by will or the laws of descent and distribution.

(b) Notwithstanding the foregoing, if at the time any Option is transferred as permitted under this Section 12, a corresponding Stock Appreciation Right has been identified as being granted in tandem with such Option, then the transfer of such Option shall also constitute a transfer of the corresponding Stock Appreciation Right, and such Stock Appreciation Right shall not be transferable other than as part of the transfer of the Option to which it relates.

(c) Concurrently with any transfer, the transferor shall give written notice to the Plan's then current Plan administrator of the name and address of the transferee, the number of Shares being transferred, the Date of Grant of the Awards being transferred, and such other information as may reasonably be required by the administrator. Following a transfer, any such Awards shall continue to be subject to the same terms and conditions as were applicable immediately prior to transfer. The provisions of the Plan and applicable Grant Documents shall continue to be applied with respect to the original Participant, and such Awards shall be exercisable by the transferee only to the extent that they could have been exercised by the Participant under the terms of the original Grant Documents. The Company disclaims any obligation to provide notice to a transferee of any termination or expiration of a transferred Award.

13. Clawback. All Awards granted pursuant to this Plan are subject to the Company's "clawback policy" as may be in effect at the time.

## 14. Alteration, Termination, Discontinuance, Suspension, and Amendment.

(a) The Committee or the Board may amend, alter, suspend, discontinue or terminate the Plan or any portion thereof at any time; provided that no such amendment, alteration, suspension, discontinuation or termination shall be made without (i) stockholder approval if such approval is necessary to qualify for or comply with any tax or regulatory requirement for which or with which the Committee or Board deems it necessary or desirable to qualify or comply; or (ii) the consent of the affected Participant, if such action would impair the rights of such Participant under any outstanding Award. Notwithstanding anything to the contrary herein, the Committee or the Board may make technical amendments to the Plan as may be necessary so as to have the Plan conform to any Legal Requirements or regulations in any jurisdiction within or outside the United States, so long as stockholder approval of such technical amendments is not required.

(b) The Committee or Board may amend the terms of any outstanding Award, prospectively retroactively, except that no such amendment shall impair the rights of any Participant without his or her consent. Subject to the requirements of paragraph (c) below, the Committee or Board may, without the consent of the Participant, amend any Grant Documents evidencing an Option or Stock Appreciation Right granted under the Plan, or otherwise take action, to accelerate the time or times at which an Option or Stock Appreciation Right may be exercised; to extend the expiration date of an Award; to waive any other condition or restriction applicable to an Award or to the exercise of an Option or Stock Appreciation Right; to amend the definition of a change in control of the Company (if such a definition is contained in such Grant Documents) to expand the events that would result in a change in control and to add a change in control provision to such Grant Documents (if such provision is not contained in such Grant Documents); and may amend any such Grant Documents in any other respect with the consent of the Participant.

(c) If an amendment would (i) materially increase the benefits to participants under the Plan, (ii) increase the aggregate number of Shares that may be issued under the Plan, or (iii) materially modify the requirements for participation in the Plan by materially increasing the class or number of persons eligible to participate in the Plan, then such amendment shall be subject to stockholder approval.

(d) If required by any Legal Requirement, any amendment to the Plan or any Award will also be submitted to and approved by the requisite vote of the stockholders of the Company. If any Legal Requirement requires the Plan to be amended, or in

the event any Legal Requirement is amended or supplemented (e.g., by addition of alternative rules) to permit the Company to remove or lessen any restrictions on or with respect to an Award, the Board and the Committee each reserve the right to amend the Plan or any Grant Documents evidencing an Award to the extent of any such requirement, amendment or supplement, and all Awards then outstanding will be subject to such amendment.

(e) Notwithstanding any provision of the Plan to the contrary, the Committee or the Board may not, without prior approval of the stockholders of the Company, reprice any outstanding Option by either lowering the Exercise Price thereof or canceling such outstanding Option in consideration of a grant having a lower Exercise Price. This paragraph 13(e) is intended to prohibit the repricing of “underwater” Options without prior stockholder approval and shall not be construed to prohibit the adjustments provided for in Section 15 hereof.

(f) The Plan may be terminated at any time by action of the Board. The termination of the Plan will not adversely affect the terms of any outstanding Award. The Plan will continue in effect until October 20, 2024, unless terminated earlier pursuant to its terms.

15. Adjustment of Shares; Effect of Certain Transactions. Notwithstanding any other provision of the Plan to the contrary, in the event of any change affecting the Shares subject to the Plan or any Award (through merger, consolidation, reorganization, recapitalization, dividend or other distribution (whether in the form of cash, Shares, other securities or other property), stock split, split-up, split-off, spin-off, combination of shares, exchange of shares, issuance of rights to subscribe, or other change in capital structure of the Company), appropriate adjustments or substitutions shall be made by the Committee or the Board as to the (i) Shares subject to the Plan, (ii) maximum number of Shares for which Awards may be granted to any one Associate, (iii) number of Shares and price per Share subject to outstanding Awards, and (iv) class of shares of stock that may be delivered under the Plan and/or each outstanding Award, as shall be equitable to prevent dilution or enlargement of rights under previously granted Awards. The determination of the Committee or Board as to these matters shall be conclusive.

#### 16. General Provisions.

(a) No Associate or Participant shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of Associates or Participants under the Plan.

(b) The Committee or Board shall be authorized to make adjustments in performance award criteria or in the terms and conditions of other Awards in recognition of unusual or nonrecurring events affecting the Company or its financial statements or changes in applicable laws, regulations or accounting principles. The Committee or Board may correct any defect, supply any omission, or reconcile any inconsistency in the Plan or any Award in the manner and to the extent it shall deem desirable to carry it into effect. In the event the Company shall assume outstanding employee benefit awards or the right or obligation to make future such awards in connection with the acquisition of or combination with another corporation or business entity, the Committee or Board may, in their discretion, make such adjustments in the terms of Awards under the Plan as it shall deem appropriate.

(c) All certificates for Shares delivered under the Plan pursuant to any Award shall be subject to such stock transfer orders and other restrictions as the Committee or 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 state or Federal securities law, and the Committee or Board may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

(d) No Award granted hereunder shall be construed as an offer to sell securities of the Company, and no such offer shall be outstanding, unless and until the Committee or the Board in their sole discretion has determined that any such offer, if made, would be in compliance with all applicable requirements of the U.S. Federal securities laws and any other Legal Requirements to which such offer, if made, would be subject.

(e) The Committee or the Board shall be authorized to establish procedures pursuant to which the payment of any Award may be deferred. Subject to the provisions of the Plan and any Grant Documents, the recipient of an Award (including, without limitation, any deferred Award) may, if so determined by the Committee or the Board, be entitled to receive, currently or on a deferred basis, cash dividends, or cash payments in amounts equivalent to cash dividends on Shares (“dividend equivalents”), with respect to the number of Shares covered by the Award, as determined by the Committee or the Board, in their sole discretion, and the Committee or Board may provide that such amounts (if any) shall be deemed to have been reinvested in additional Shares or otherwise reinvested.

(f) The Company shall be authorized to withhold from any Award granted or payment due under the Plan the amount of withholding taxes due in respect of an Award or payment hereunder and to take such other action as may be necessary in the opinion of the Plan administrator to satisfy all obligations for the payment of such taxes, not to exceed the statutory minimum withholding obligation. The Committee or Board shall be authorized to establish procedures for election by Participants to satisfy



such obligations for the payment of such taxes (i) by delivery of or transfer of Shares to the Company, (ii) with the consent of the Committee or the Board, by directing the Company to retain Shares otherwise deliverable in connection with the Award, (iii) by payment in cash of the amount to be withheld, or (iv) by withholding from any cash compensation otherwise due to the Participant.

(g) Nothing contained in this Plan shall prevent the Board from adopting other or additional compensation arrangements, subject to stockholder approval if required, and such arrangements may be either generally applicable or applicable only in specific cases.

(h) The validity, construction, and effect of the Plan and any rules and regulations relating to the Plan shall be determined in accordance with the laws of the state of Delaware and applicable Federal law.

(i) If any provision of this Plan is or becomes or is deemed invalid, illegal or unenforceable in any jurisdiction, or would disqualify the Plan or any Award under any law deemed applicable by the Committee or the Board, such provision shall be construed or deemed amended to conform to applicable law, or if it cannot be construed or deemed amended without, in the determination of the Committee or the Board, materially altering the intent of the Plan, it shall be stricken, and the remainder of the Plan shall remain in full force and effect.

(j) Awards may be granted to Participants who are foreign nationals or employed outside the United States, or both, on such terms and conditions different from those applicable to Awards to Participants employed in the United States as may, in the judgment of the Committee or the Board, be necessary or desirable in order to recognize differences in local law or tax policy. The Committee or Board also may impose conditions on the exercise or vesting of Awards in order to minimize the Company's obligations with respect to tax equalization for Associates on assignments outside their home country.

(k) No Award shall be granted or exercised if the grant of the Award or the exercise and the issuance of shares or other consideration pursuant thereto would be contrary to the Legal Requirements of any duly constituted authority having jurisdiction.

(l) The Plan will not confer upon any Participant any right with respect to continuance of employment or other service with the Company or any Subsidiary or Affiliated Company, nor will it interfere in any way with any right the Company or any Subsidiary or Affiliated Company would otherwise have to terminate a Participant's employment or other service at any time.

**CIRCULATE EQUITY COMPENSATION PLAN  
OF  
ACXIOM CORPORATION**

1. Establishment and Purpose. In connection with the Merger, the shares of common stock of Circulate are being assumed and converted into Shares that will be available for grant and issuance under the Plan, consistent with Nasdaq Listing Rule 5635(c). This Circulate Equity Compensation Plan of Acxiom Corporation (the “Plan”) was established on December 5, 2016 in connection with the Merger. The purpose of the Plan is to further the growth and development of the Company and any of its present or future Subsidiaries and Affiliated Companies (as defined below) by allowing certain Associates (as defined below) to acquire or increase equity ownership in the Company, thereby offering such Associates a proprietary interest in the Company’s business and a more direct stake in its continuing welfare, and aligning their interests with those of the Company’s stockholders. The Plan is also intended to assist the Company in attracting and retaining talented Associates, who are vital to the continued development and success of the Company.

2. Definitions. The following capitalized terms, when used in the Plan, have the following meanings:

(a) “Act” means the Securities Exchange Act of 1934, as amended and in effect from time to time.

(b) “Affiliated Company” means any corporation, limited liability company, partnership, limited liability partnership, joint venture or other entity in which the Company or any of its Subsidiaries has an ownership interest.

(c) “Associate” means any employee, officer (whether or not also a director), director, affiliate, independent contractor or consultant of the Company, a Subsidiary or an Affiliated Company who renders those types of services which tend to contribute to the success of the Company, its Subsidiaries or its Affiliated Companies, or which may reasonably be anticipated to contribute to the future success of the Company, its Subsidiaries or its Affiliated Companies.

(d) “Award” means the grant, pursuant to the Plan, of any Option, Stock Appreciation Right, Restricted Stock Award, Restricted Stock Unit Award, Performance Awards, Performance Share, Performance Unit, or Other Stock Unit Award. The terms and conditions applicable to an Award shall be set forth in applicable Grant Documents.

(e) “Award Agreement” means any written or electronic agreement, contract, or other document or instrument evidencing any Award granted by the Committee or the Board hereunder, which may, but need not, be executed or acknowledged by both the Company and the Participant.

(f) “Board” means the Board of Directors of the Company.

(g) “Circulate” means Circulate.com, Inc., a Delaware corporation.

(h) “Code” means the Internal Revenue Code of 1986, as amended and in effect from time to time.

(i) “Common Stock” means the common stock, par value \$0.10 per share, of the Company or any security into which such common stock may be changed by reason of any transaction or event of the type described in Section 15 of the Plan.

(j) “Committee” means the Compensation Committee of the Board (as well as any successor to the Compensation Committee and any Company officers to whom authority has been lawfully delegated by the Compensation Committee). All of the members of the Committee, which may not be less than two, are intended at all times to qualify as “Independent Directors” within the meaning of the Nasdaq Listing Rules and “Non-Employee Directors” within the meaning of Rule 16b-3, and each of whom is “independent” as set forth in the applicable rules and regulations of the Securities and Exchange Commission and/or Nasdaq or any stock exchange upon which the Shares may be listed in the future; provided, however, that the failure of a member of such Committee to so qualify shall not be deemed to invalidate any Award granted by such Committee.

(k) “Date of Grant” means the date specified by the Committee or the Board, as applicable, on which a grant of an Award will become effective.

(l) “Exercise Period” means the period during which an Option shall vest and become exercisable by a Participant (or his or her representatives or transferees) as specified in Section 6(c) below.

(m) “Exercise Price” means the purchase price per share payable upon exercise of an Option.

(n) “Fair Market Value” means, as of any applicable determination date or for any applicable determination period, the closing price of the Company’s Common Stock as reported by Nasdaq (or any other stock exchange upon which the Common Stock may be listed for trading).

(o) “Grant Documents” means any written or electronic Award Agreement, memorandum, notice, and/or other document or instrument evidencing the terms and conditions of the grant of an Award by the Committee or the Board under the Plan, which may, but need not, be executed or acknowledged by both the Company and the Participant.

(p) “Incentive Stock Option” means an Option intended to be and designated as an “Incentive Stock Option” within the meaning of Section 422 of the Code.

(q) “Legal Requirements” means any laws, or any rules or regulations issued or promulgated by the Internal Revenue Service, the Securities and Exchange Commission, the National Association of Securities Dealers, Inc., Nasdaq (or any other stock exchange upon which the Common Stock may be listed for trading), or any other governmental or quasi-governmental agency having jurisdiction over the Company, the Common Stock, or the Plan.

(r) “Merger” means the consummation on November 29, 2016 of the transactions contemplated in the Merger Agreement by and between the Company, Circulate, and certain other parties executed on November 17, 2016, pursuant to which Circulate became a wholly owned Subsidiary of the Company.

(s) “Non-Qualified Stock Option” means any Option that is not an Incentive Stock Option.

(t) “Option” means an option granted to a Participant pursuant to the Plan to acquire a certain number of Shares at such price(s) and during such period(s) and under such other terms and conditions as the Committee or Board shall determine from time to time, provided that all Options granted under the Plan will be Non-Qualified Stock Options.

(u) “Other Stock Unit Award” means any right granted to a Participant by the Committee or Board pursuant to Section 10 hereof.

(v) “Participant” means an Associate who is selected by the Committee or the Board to receive an Award under the Plan.

(w) “Performance Award” means any Award of Performance Shares or Performance Units pursuant to Section 9 hereof.

(x) “Performance Goals” means the pre-established objective performance goals established by the Committee for each Performance Period. The Performance Goals may be based upon the performance of the Company (or a division, organization or other business unit thereof), a Subsidiary, an Affiliated Company, or of an individual Participant, using one or more of the Performance Measures selected by the Committee in its discretion. Performance Goals may be set at a specific level, or may be expressed as a relative percentage to the comparable measure at comparison companies or a defined index. Performance Goals shall, to the extent applicable, be based upon generally accepted accounting principles, but shall be adjusted by the Committee to take into account the effect of the following: changes in accounting standards that may be required by the Financial Accounting Standards Board after the Performance Goal is established; realized investment gains and losses; extraordinary, unusual, non-recurring, or infrequent items; “non-GAAP financial measures” that have been included in the Company’s quarterly earnings releases and disclosed to investors in accordance with SEC regulations; and other items as the Committee determines to be required so that the operating results of the Company (or a division, organization or other business unit thereof), a Subsidiary or an Affiliated Company shall be computed on a comparative basis from Performance Period to Performance Period. Determinations made by the Committee shall be based on relevant objective information and/or financial data, and shall be final and conclusive with respect to all affected parties.

(y) “Performance Measures” means one or more of the following criteria, on which Performance Goals may be based:

(a) earnings (either in the aggregate or on a per-Share basis, reflecting dilution of Shares as the Committee deems appropriate and, if the Committee so determines, net of or including dividends) before or after interest and taxes (“EBIT”) or before or after interest, taxes, depreciation, and amortization (“EBITDA”); (b) gross or net revenue or changes in annual revenues; (c) cash flow(s) (including operating, free or net cash flows); (d) financial return ratios; (e) total stockholder return, stockholder return based on growth measures or the attainment by the Shares of a specified value for a specified period of time, (f) Share price, or Share price appreciation; (g) earnings growth or growth in earnings per Share; (h) return measures, including return or net return on assets, net assets, equity, capital, investment, or gross sales; (i) adjusted pre-tax margin; (j) pre-tax profits; (k) operating margins; (l) operating profits; (m) operating expenses; (n) dividends; (o) net income or net operating income; (p) growth in operating earnings or growth in earnings per Share; (q) value of assets; (r) market share or market penetration with respect to specific designated products or product groups and/or specific geographic areas; (s) aggregate product price and other product measures; (t) expense or cost levels, in each case, where applicable, determined either on a company-wide basis or in respect of any one or more specified divisions; (u) reduction of losses, loss ratios or expense ratios; (v) reduction in fixed costs; (w) operating cost management; (x) cost of capital; (y) debt reduction; (z) productivity improvements; (aa) satisfaction of specified business expansion goals or goals relating to acquisitions or divestitures; (bb) customer satisfaction based on specified objective goals or a Company-sponsored customer survey; or (cc) Associate diversity goals.

Performance Measures may be applied on a pre-tax or post-tax basis, and may be based upon the performance of the Company (or a division, organization or other business unit thereof), a Subsidiary, an Affiliated Company, or of an individual Participant. The Committee may, at any time, provide that the Performance Goals for an Award may include or exclude items to

measure specific objectives, such as losses from discontinued operations, extraordinary gains or losses, the cumulative effect of accounting changes, acquisitions or divestitures, foreign exchange impacts, and any unusual nonrecurring gain or loss.

(z) "Performance Period" means that period established by the Committee or the Board at the time any Award is granted or at any time thereafter during which any performance goals specified by the Committee or the Board with respect to such Award are to be measured.

(aa) "Performance Share" means any grant pursuant to Section 9 hereof of a right to receive the value of a Share, or a portion or multiple thereof, which value may be paid to the Participant by delivery of such property as the Committee or Board shall determine, including, without limitation, cash, Shares, or any combination thereof, upon achievement of such performance goals during the Performance Period as the Committee or the Board shall establish at the time of such grant or thereafter.

(bb) "Performance Unit" means any grant pursuant to Section 9 hereof of a right to receive the value of property other than a Share, or a portion or multiple thereof, which value may be paid to the Participant by delivery of such property as the Committee or Board shall determine, including, without limitation, cash, Shares, or any combination thereof, upon achievement of such Performance Goals during the Performance Period as the Committee or the Board shall establish at the time of such grant or thereafter.

(cc) "Restricted Stock" means any Share issued with the restriction that the holder may not sell, transfer, pledge, or assign such Share and with such other restrictions as the Committee or the Board, in their sole discretion, may impose (including, without limitation, any forfeiture condition or any restriction on the right to vote such Share, and the right to receive any cash dividends), which restrictions may lapse separately or in combination at such time or times, in installments or otherwise, as the Committee or the Board may deem appropriate.

(dd) "Restricted Stock Award" means an award of Restricted Stock or Restricted Stock Units under Section 8 hereof.

(ee) "Restricted Stock Unit" means a right awarded to a Participant that, subject to Section 8(c), may result in the Participant's ownership of Shares upon, but not before, the lapse of restrictions related thereto.

(ff) "Restriction Period" means the period of time specified by the Committee or Board pursuant to Sections 8 and 10 below.

(gg) "Rule 16b-3" means Rule 16b-3 under Section 16 of the Act, as such Rule may be in effect from time to time.

(hh) "Shares" means the shares of Common Stock of the Company, \$0.10 par value, as may be adjusted in accordance with Section 15 of the Plan.

(ii) "Stock Appreciation Right" means the right pursuant to an Award granted under Section 7 of the Plan, to surrender to the Company all (or a portion) of such right and, if applicable, a related Option, and receive cash or shares of Common Stock in accordance with the provisions of Section 7.

(jj) "Strike Price" shall have the meaning set forth for such term in Section 7(b) of the Plan.

(kk) "Subsidiary" means any corporation, limited liability company, partnership, limited liability partnership, joint venture or other entity in which the Company owns or controls, directly or indirectly, not less than 50% of the total combined voting power or equity interests represented by all classes of stock, membership or other interests issued by such corporation, limited liability company, partnership, limited liability partnership, joint venture or other entity.

(ll) "Substitute Awards" shall mean Awards granted or Shares issued by the Company in assumption of, or in substitution or exchange for, awards previously granted, or the right or obligation to make future awards, by a company acquired by the Company or with which the Company combines.

3. Administration. The Plan shall be administered by the Committee and the Board. Except as otherwise provided herein, each of the Committee or the Board has the full authority and discretion to administer the Plan, and to take any action that is necessary or advisable in connection with the administration of the Plan including, without limitation, the authority and discretion to:

(a) select the Associates eligible to become Participants under the Plan;

(b) determine whether and to what extent Awards are to be granted;

(c) determine the number of Shares to be covered by each grant;

(d) determine the terms and conditions, not inconsistent with the terms of the Plan, of any grant hereunder (including, but not limited to, the term of the Award, the Exercise Price or Strike Price and any restriction, limitation, procedure, or deferral related thereto, provisions relating to the effect upon the Award of a Participant's cessation of employment, acceleration of vesting,

forfeiture provisions regarding an Award and/or the profits received by any Participant from receiving an Award of exercising an Option or Stock Appreciation Right, and any other terms and conditions regarding any Award, based in each case upon such guidelines and factors as the Committee or Board shall determine from time to time in their sole discretion);

(e) determine whether, to what extent and under what circumstances grants under the Plan are to be made and operate, whether on a tandem basis or otherwise, with other grants or awards (whether equity or cash based) made by the Company under or outside of the Plan; and

(f) delegate to one or more officers of the Company the right to grant Awards under the Plan, provided that such delegation is made in accordance with the provisions of applicable state and federal laws.

Each of the Committee and the Board shall have the authority to adopt, alter and repeal such rules, guidelines and practices governing the Plan as it shall from time to time deem advisable; to interpret the terms and provisions of the Plan and any Award granted under thereunder (and any Grant Documents relating thereto); and to otherwise supervise the administration of the Plan.

Each of the Committee and the Board shall also have the authority to provide, in their discretion, for the rescission, forfeiture, cancellation or other restriction of any Award granted under the Plan, or for the forfeiture, rescission or repayment to the Company by a Participant or former Participant of any profits or gains related to any Award granted hereunder, or other limitations, upon the occurrence of such prescribed events and under such circumstances as the Committee or the Board shall deem necessary and reasonable for the benefit of the Company; provided, however, that this provision shall have no application after a Change in Control Transaction (as defined below in Section 11) has occurred.

All decisions made by the Committee and the Board pursuant to the provisions of the Plan shall be made in the Committee's or Board's sole discretion and shall be final and binding on all persons including the Company and any Participant. No member of the Committee or Board will be liable for any such action taken or omitted to be taken or determination made in good faith.

#### 4. Shares Subject to the Plan.

(a) The total number of Shares which may be issued pursuant to the Plan shall not exceed (i) 96,212 Shares, the number of Shares that were reserved but not issued or subject to outstanding equity awards under Circulate's 2009 Stock Plan, as amended (the "Circulate Plan"), as of the effective date of the Plan and as adjusted to reflect the Merger, plus (ii) any Shares that otherwise would have returned to the Circulate Plan as a result of the termination of stock options granted under the Circulate Plan that were assumed by the Company in connection with the Merger. Such Shares may consist, in whole or in part, of authorized and unissued shares or treasury shares, as determined in the discretion of the Committee or the Board.

(b) If any Award made under the Plan is forfeited, any Option (and the related Stock Appreciation Right, if any), or any Stock Appreciation Right not related to an Option terminates, expires or lapses without being exercised, or any Stock Appreciation Right is exercised for cash, the Shares subject to such Awards that are, as a result, not delivered to the Participant shall again be available for delivery in connection with Awards. If a Stock Appreciation Right is exercised, only the number of Shares issued will be deemed delivered for purposes of determining the maximum number of Shares available for delivery under the Plan. If the Exercise Price of any Option is satisfied by delivering Shares to the Company (by either actual delivery or by attestation), only the number of Shares issued net of the Shares delivered or attested to shall be deemed delivered for purposes of determining the maximum number of Shares available for delivery pursuant to Awards under the Plan. To the extent any Shares subject to an Award are not delivered to a Participant because such Shares are used to satisfy an applicable tax withholding obligation, such Shares shall again be available for delivery in connection with Awards.

(c) Shares available for issuance or reissuance under the Plan will be subject to adjustment as provided in Section 15 below.

5. Eligible Participants. Subject to compliance with Nasdaq Listing Rule 5635(c), all Associates who were not employed by the Company or its Affiliated Companies as of November 29, 2016 shall be eligible to receive Awards and thereby become Participants in the Plan, regardless of such Associate's prior participation in the Plan or any other benefit plan of the Company.

#### 6. Options.

(a) Grant of Options. The Committee, the Board or their authorized designees may from time to time authorize grants of Options to any Participant upon such terms and conditions as the Committee or Board may determine in accordance with the provisions set forth in the Plan. Each grant will specify, among other things, the number of Shares to which it pertains; the Exercise Price, the form of payment to be made by the Participant for the Shares purchased upon exercise of any Option; the required period or periods (if any) of continuous service by the Participant with the Company, a Subsidiary or an Affiliated Company and/or any other conditions to be satisfied before the Options or installments thereof will vest and become exercisable. Options granted under the Plan will be Non-Qualified Options.

Each Option granted under this Plan will be evidenced by Grant Documents delivered to the Participant containing such further terms and provisions, not inconsistent with the Plan, as the Committee or Board may approve in their discretion.

(b) Exercise Price. The Exercise Price for each share of Common Stock purchasable under any Option shall be not less than 100% of the Fair Market Value per share on the Date of Grant as the Committee or Board shall specify. All such Exercise Prices shall be subject to adjustment as provided for in Section 15 hereof.

(c) Exercise Period. Subject to Section 11 hereof, the period during which an Option shall vest and become exercisable by a Participant (or his or her representative(s) or transferee(s)) whether during or after employment or following death, retirement or disability (the "Exercise Period") shall be such period of time as may be designated by the Committee or the Board as set forth in the Committee's or Board's applicable rules, guidelines and practices governing the Plan and/or in the Grant Documents executed in connection with such Option. If the Committee or Board provides, in their sole discretion, that any Option is exercisable only in installments, the Committee or Board may waive or accelerate such installment exercise provisions at any time at or after grant in whole or in part, based upon such factors as the Committee or Board shall determine, in their sole discretion.

(d) Exercise of Option. Subject to Section 11 hereof, an Option may be exercised by a Participant at any time and from time to time during the Exercise Period by giving written notice of such exercise to the Company specifying the number of shares of Common Stock to be purchased by the Participant. Such notice shall be accompanied by payment of the Exercise Price in accordance with subsection (e) below.

(e) Payment for Shares. Full payment of the Exercise Price for the Shares purchased upon exercise of an Option, together with the amount of any tax or excise due in respect of the sale and issue thereof, may be made in one of the following forms of payment:

(i) Cash, by check or electronic funds transfer;

(ii) Pursuant to procedures approved by the Company, through the sale (or margin) of Shares acquired upon exercise of the Option through a broker-dealer to whom the Participant has submitted an irrevocable notice of exercise and irrevocable instructions to deliver promptly to the Company the amount of sale (or if applicable margin loan) proceeds sufficient to pay for the Exercise Price, together with, if requested by the Company, the amount of federal, state, local or foreign withholding taxes payable by reason of such exercise;

(iii) By delivering previously-owned shares of Common Stock owned by the Participant for a period of at least six months having a Fair Market Value on the date upon which the Participant exercises his or her Option equal to the Exercise Price, or by delivering a combination of cash and shares of Common Stock equal to the aggregate Exercise Price;

(iv) By authorizing the Company to withhold a number of shares of Common Stock otherwise issuable to the Participant upon exercise of an Option having an aggregate Fair Market Value on the date upon which the Participant exercises his or her Option equal to the aggregate Exercise Price; or

(v) By any combination of the foregoing.

Provided, however, that the payment methods described in clause (iv) immediately above shall not be available to a Participant without the prior consent of either the Committee or its authorized designee(s), or if at any time the Company is prohibited from purchasing or acquiring Shares under applicable Legal Requirements. The Committee or the Board may permit a Participant to exercise an Option and defer the issuance of any Shares, subject to such rules and procedures as the Committee or Board may establish.

The Company will issue no certificates for Shares until full payment of the Exercise Price has been made, and a Participant shall have none of the rights of a stockholder until certificates for the Shares purchased are issued; provided however, that for purposes of this Section 6, full payment shall be deemed to have been received by the Company upon evidence of delivery to a broker-dealer of the irrevocable instructions contemplated by clause (ii) immediately above.

(f) Withholding Taxes. The Company may require a Participant exercising a Non-Qualified Stock Option or Stock Appreciation Right granted hereunder to reimburse the Company (or the entity which employs the Participant) for taxes required by any government to be withheld or otherwise deducted and paid by such corporation in respect of the issuance of the Shares. Such withholding requirements may be satisfied by any one of the following methods:

(i) A Participant may deliver cash in an amount which would satisfy the withholding requirement;

(ii) A Participant may deliver previously-owned Shares (based upon the Fair Market Value of the Common Stock on the date of exercise) in an amount which would satisfy the withholding requirement; or

(iii) With the prior consent of either the Committee or the Board, or its authorized designees, a Participant may request that the Company (or the entity which employs the Participant) withhold from the number of Shares otherwise issuable to the Participant upon exercise of an Option such number of Shares (based upon the Fair Market Value of the Common Stock on the date of exercise) as is necessary to satisfy the withholding requirement.

(g) Conditions to Exercise of Options. The Committee or the Board may, in their discretion, require as conditions to the exercise of Options or Stock Appreciation Rights and the issuance of shares thereunder either (a) that a registration statement under the Securities Act of 1933, as amended, with respect to the Options or Stock Appreciation Rights and the shares to be issued upon the exercise thereof, containing such current information as is required by the Rules and Regulations under said Act, shall have become, and continue to be, effective; or (b) that the Participant or his or her transferee(s) (i) shall have represented, warranted and agreed, in form and substance satisfactory to the Company, both that he or she is acquiring the Option or Stock Appreciation Right and, at the time of exercising the Option or Stock Appreciation Right, that he or she is acquiring the shares for his/her own account, for investment and not with a view to or in connection with any distribution; (ii) shall have agreed to restrictions on transfer, in form and substance satisfactory to the Company; and (iii) shall have agreed to an endorsement which makes appropriate reference to such representations, warranties, agreements and restrictions both on the option and on the certificate representing the shares.

(h) Use of Proceeds. Proceeds realized from the sale of Common Stock pursuant to Options granted hereunder shall constitute general funds of the Company.

## 7. Stock Appreciation Rights.

(a) When granted, Stock Appreciation Rights may, but need not be, identified with a specific Option (including any Option granted on or before the Date of Grant of the Stock Appreciation Rights) in a number equal to or different from the number of Stock Appreciation Rights so granted. If Stock Appreciation Rights are identified with Shares subject to an Option, then, unless otherwise provided in the applicable Grant Documents, the Participant's associated Stock Appreciation Rights shall terminate upon the expiration, termination, forfeiture or cancellation of such Option or the exercise of such Option.

(b) The Strike Price of any Stock Appreciation Right shall (i) for any Stock Appreciation Right that is identified with an Option, equal the Exercise Price of such Option, or (ii) for any other Stock Appreciation Right, be not less than 100% of the Fair Market Value of a Share of Common Stock on the Date of Grant as the Committee or Board shall specify. The duration of any Stock Appreciation Right shall be for such period as determined by the Committee or Board in its sole discretion, not to exceed ten years.

(c) Subject to Section 11 hereof, (i) each Stock Appreciation Right which is identified with any Option grant shall vest and become exercisable by a Participant as and to the extent that the related Option with respect to which such Stock Appreciation Right is identified may be exercised; and (ii) each other Stock Appreciation Right shall vest and become exercisable by a Participant, whether during or after employment or following death, retirement or disability, at such time or times as may be designated by the Committee or Board as set forth in the applicable rules, guidelines and practices governing the Plan and/or the Grant Documents executed in connection with such Stock Appreciation Right.

(d) Subject to Section 11 hereof, Stock Appreciation Rights may be exercised by a Participant by delivery to the Company of written notice of intent to exercise a specific number of Stock Appreciation Rights. Unless otherwise provided in the applicable Grant Documents, the exercise of Stock Appreciation Rights which are identified with Shares of Common Stock subject to an Option shall result in the cancellation or forfeiture of such Option to the extent of the exercise of such Stock Appreciation Right.

(e) The benefit to the Participant for each Stock Appreciation Right exercised shall be equal to (i) the Fair Market Value of a Share of Common Stock on the date of exercise, minus (ii) the Strike Price of such Stock Appreciation Right. Such benefit shall be payable in cash, except that the Committee or Board may provide in the applicable rules, guidelines and practices governing the Plan and/or the Grant Documents that benefits may be paid wholly or partly in Shares of Common Stock.

## 8. Restricted Stock Awards.

(a) Issuance. A Restricted Stock Award shall be subject to restrictions imposed by the Committee or the Board during a period of time specified by the Committee or Board (the "Restriction Period"). Restricted Stock Awards may be issued hereunder to Participants for no cash consideration or for such minimum consideration as may be required by applicable law, either alone or in addition to other Awards granted under the Plan. The provisions of Restricted Stock Awards need not be the same with respect to each Participant.

### (b) Restricted Stock.

(i) The Company may grant Restricted Stock to those Associates the Committee or the Board may select in their sole discretion. Each Award of Restricted Stock shall have those terms and conditions that are expressly set forth in or are required by the Plan and the Grant Documents as the Committee or the Board may determine in their discretion.

(ii) While any restriction applies to any Participant's Restricted Stock, (a) unless the Committee or the Board provides otherwise, the Participant shall receive the dividends paid on the Restricted Stock and shall not be required to return those dividends to the Company in the event of the forfeiture of the Restricted Stock; (b) the Participant shall receive the proceeds of the Restricted Stock in any stock split, reverse stock split, recapitalization, or other change in the capital structure of the Company, which proceeds shall automatically and without need for any other action become Restricted Stock and be subject to all restrictions

then existing as to the Participant's Restricted Stock; and (c) the Participant shall be entitled to vote the Restricted Stock during the Restriction Period.

(iii) The Restricted Stock will be delivered to the Participant subject to the understanding that while any restriction applies to the Restricted Stock, the Participant shall not have the right to sell, transfer, assign, convey, pledge, hypothecate, grant any security interest in or mortgage on, or otherwise dispose of or encumber any shares of Restricted Stock or any interest therein. As a result of the retention of rights in the Restricted Stock by the Company, except as required by any applicable law, neither any shares of the Restricted Stock nor any interest therein shall be subject in any manner to any forced or involuntary sale, transfer, conveyance, pledge, hypothecation, encumbrance, or other disposition or to any charge, liability, debt, or obligation of the Participant, whether as the direct or indirect result of any action of the Participant or any action taken in any proceeding, including any proceeding under any bankruptcy or other creditors' rights law. Any action attempting to effect any transaction of that type shall be void.

(iv) Unless other provisions are specified in the Grant Documents or Plan guidelines which may be adopted by the Committee or the Board from time to time, any Restricted Stock held by the Participant at the time the Participant ceases to be an Associate for any reason shall be forfeited by the Participant to the Company and automatically re-conveyed to the Company.

(v) The Committee or the Board may withhold, in accordance with Section 16(f) hereof, any amounts necessary to collect any withholding taxes upon any taxable event relating to Restricted Stock.

(vi) The making of an Award of Restricted Stock and delivery of any Restricted Stock is subject to compliance by the Company with all applicable Legal Requirements. The Company need not issue or transfer Restricted Stock pursuant to the Plan unless the Company's legal counsel has approved all legal matters in connection with the delivery of the Restricted Stock.

(vii) The Restricted Stock will be book-entry Shares only unless the Committee or the Board decides to issue certificates to evidence any shares of Restricted Stock. The Company may place stop-transfer instructions with respect to all Restricted Stock on its stock transfer records.

(viii) At the time of grant of Restricted Stock (or at such earlier or later time as the Committee or the Board determines to be appropriate in light of the provisions of Code Section 409A), the Committee or the Board may permit a Participant of an Award of Restricted Stock to defer receipt of his or her Restricted Stock in accordance with rules and procedures established by the Committee or the Board. Alternatively, the Committee or the Board may, in their discretion and at the times provided above, permit an individual who would have been a Participant with respect to an Award of Restricted Stock, to elect instead to receive an equivalent Award of Restricted Stock Units, and the Committee or the Board may permit the Participant to elect to defer receipt of Shares under the Restricted Stock Units in accordance with Section 8(c)(viii).

(ix) The minimum Restriction Period applicable to any Award of Restricted Stock that is not subject to performance conditions restricting the grant size, the transfer of the shares, or the vesting of the award shall be two (2) years from the date of grant; provided, however, that a Restriction Period of less than two (2) years may be approved under the Plan for such Awards with respect to up to a total of 100,000 Shares.

(c) Restricted Stock Units.

(i) The Company may grant Restricted Stock Units to those Associates as the Committee or the Board may select in its sole discretion. Restricted Stock Units represent the right to receive Shares in the future, at such times, and subject to such conditions as the Committee or the Board shall determine. The restrictions imposed shall take into account potential tax treatment under Code Section 409A.

(ii) Until the Restricted Stock Unit is released from restrictions and any Shares subject thereto are delivered to the Participant, the Participant shall not have any beneficial ownership in any Shares subject to the Restricted Stock Unit, nor shall the Participant have the right to sell, transfer, assign, convey, pledge, hypothecate, grant any security interest in or mortgage on, or otherwise dispose of or encumber any Restricted Stock Unit or any interest therein. Except as required by any law, no Restricted Stock Unit nor any interest therein shall be subject in any manner to any forced or involuntary sale, transfer, conveyance, pledge, hypothecation, encumbrance, or other disposition or to any charge, liability, debt, or obligation of the Participant, whether as the direct or indirect result of any action of the Participant or any action taken in any proceeding, including any proceeding under any bankruptcy or other creditors' rights law. Any action attempting to effect any transaction of that type shall be void.

(iii) Upon the lapse of the restrictions, the Participant holder of Restricted Stock Units shall, except as noted below, be entitled to receive, as soon as administratively practical, (a) that number of Shares subject to the Award that are no longer subject to restrictions, (b) cash in an amount equal to the Fair Market Value of the number of Shares subject to the Award that are no longer subject to restrictions, or (c) any combination of Shares and cash, as the Committee or the Board shall determine in their sole discretion, or shall have specified at the time the Award was granted.

(iv) Restricted Stock Units and the entitlement to Shares, cash, or any combination thereunder will be forfeited and all rights of a Participant to such Restricted Stock Units and the Shares thereunder will terminate if the applicable restrictions are not



satisfied.

(v) A Participant holder of Restricted Stock Units is not entitled to any rights of a holder of the Shares (e.g., voting rights and dividend rights), prior to the receipt of such Shares pursuant to the Plan. The Committee or the Board may, however, provide in the Grant Documents that the Participant shall be entitled to receive dividend equivalent payments on Restricted Stock Units, on such terms and conditions as the Grant Documents may specify.

(vi) The Committee or the Board may withhold, in accordance with Section 16(f) hereof, any amounts necessary to collect any withholding taxes upon any taxable event relating to any Restricted Stock Units.

(vii) The granting of Restricted Stock Units and the delivery of any Shares is subject to compliance by the Company with all applicable Legal Requirements.

(viii) At the time of grant of Restricted Stock Units (or at such earlier or later time as the Committee or the Board determines to be appropriate in light of the provisions of Code Section 409A), the Committee or the Board may permit a Participant to elect to defer receipt of the Shares or cash to be delivered upon lapse of the restrictions applicable to the Restricted Stock Units in accordance with rules and procedures that may be established from time to time by the Committee or the Board. Such rules and procedures shall take into account potential tax treatment under Code Section 409A, and may provide for payment in Shares or cash.

## 9. Performance Awards.

(a) Grant. The Company may grant Performance Awards to Associates on any terms and conditions the Committee or the Board deem desirable. Each Award of Performance Awards shall have those terms and conditions that are expressly set forth in, or are required by, the Plan and the Grant Documents.

(b) Performance Goals. The Committee or the Board may set Performance Goals which, depending on the extent to which they are met during a Performance Period, will determine the number of Performance Shares or Performance Units that will be delivered to a Participant at the end of the Performance Period. The Performance Goals may be set at threshold, target, and maximum performance levels, and the number of Performance Shares or Performance Units to be delivered may be tied to the degree of attainment of the various performance levels specified under the various Performance Goals during the Performance Period. No payment shall be made with respect to a Performance Award if any specified threshold performance level is not attained.

(c) Beneficial Ownership. A Participant receiving a Performance Award shall not have any beneficial ownership in any Shares subject to such Award until Shares are delivered in satisfaction of the Award, nor shall the Participant have the right to sell, transfer, assign, convey, pledge, hypothecate, grant any security interest in or mortgage on, or otherwise dispose of or encumber any Performance Award or any interest therein. Except as required by any law, neither the Performance Award nor any interest therein shall be subject in any manner to any forced or involuntary sale, transfer, conveyance, pledge, hypothecation, encumbrance, or other disposition or to any charge, liability, debt, or obligation of the Participant, whether as the direct or indirect result of any action of the Participant or any action taken in any proceeding, including any proceeding under any bankruptcy or other creditors' rights law. Any action attempting to effect any transaction of that type shall be void.

(d) Determination of Achievement of Performance Awards. The Committee or the Board shall, promptly after the date on which the necessary financial, individual or other information for a particular Performance Period becomes available, determine and certify the degree to which each of the Performance Goals have been attained.

(e) Payment of Performance Awards. After the applicable Performance Period has ended, a recipient of a Performance Award shall be entitled to payment based on the performance level attained with respect to the Performance Goals applicable to the Performance Award. Performance Awards shall be settled as soon as practicable after the Committee or Board determines and certifies the degree of attainment of Performance Goals for the Performance Period. Subject to the terms and conditions of the Grant Documents, payment to a Participant with respect to a Performance Award may be made (a) in Shares, (b) in cash, or (c) any combination of Shares and cash, as the Committee or the Board may determine at any time in their sole discretion.

(f) Limitation on Rights /Withholding. A recipient of a Performance Award is not entitled to any rights of a holder of the Shares (e.g. voting rights and dividend rights), prior to the receipt of such Shares pursuant to the Plan. The Committee or the Board may, however, provide in the Grant Documents that the Participant shall be entitled to receive dividend equivalent payments in an amount commensurate with earned Performance Awards, on such terms and conditions as the Grant Documents may specify. The Committee or the Board may withhold, in accordance with Section 16(f) hereof, any amounts necessary to collect any withholding taxes upon any taxable event relating to Performance Awards.

10. Other Stock Unit Awards. Other Awards of Shares and other Awards that are valued in whole or in part by reference to, or are otherwise based on, Shares or other property ("Other Stock Unit Awards") may be granted hereunder to Participants, either alone or in addition to other Awards granted under the Plan. Other Stock Unit Awards may be paid in Shares, cash or any other form of property as the Committee or the Board may determine. Subject to the provisions of the Plan, the Committee or the Board

shall have sole and complete authority to determine the Associates to whom such Awards shall be made, the times at which such Awards shall be made, the number of Shares to be granted pursuant to such Awards, and all other terms and conditions of such Awards. The provisions of Other Stock Unit Awards need not be the same with respect to each Participant. For any Award or Shares subject to any Award made under this Section, the vesting of which is conditioned only on the passage of time, such Restriction Period shall be a minimum of two (2) years for full vesting. Shares (including securities convertible into Shares) subject to Awards granted under this Section may be issued for no cash consideration or for such minimum consideration as may be required by applicable law.

11. Change in Control. Notwithstanding any other provision of the Plan to the contrary, upon the occurrence of a transaction involving the consummation of a reorganization, merger, consolidation or similar transaction involving the Company (other than a reorganization, merger, consolidation or similar transaction in which the Company's shareholders immediately prior to such transaction own more than 50% of the combined voting power entitled to vote in the election of directors of the surviving corporation), a sale of all or substantially all of its assets, the liquidation or dissolution of the Company, the acquisition of a significant percentage, which shall be no less than beneficial ownership (within the meaning of Rule 13d-3 under the Act) of 20%, of the voting power of the Company, (each a "Change in Control Event"), which shall not include preliminary transaction activities such as receipt of a letter of interest, receipt of a letter of intent or an agreement in principle, each outstanding Award will be treated as the Committee or Board may determine (subject to the provisions of the following paragraph), without a Participant's consent, including, without limitation, that (A) Awards will be assumed, or substantially equivalent Awards will be substituted, by the acquiring or succeeding corporation (or affiliate thereof), with appropriate adjustments as to the number and kind of shares and prices; (B) upon written or electronic notice to a Participant, that the Participant's Awards will terminate upon or immediately prior to the consummation of such Change in Control Event; (C) that, to the extent the Committee or Board may determine, in whole or in part prior to or upon consummation of such Change in Control Event, (i) Options and Stock Appreciation Rights may become immediately exercisable; (ii) restrictions and deferral limitations applicable to any Restricted Stock or Restricted Stock Unit Award may become free of all restrictions and limitations and become fully vested and transferable; (iii) all Performance Awards may be considered to be prorated, and any deferral or other restriction may lapse and such Performance Awards may be immediately settled or distributed (provided, for purposes of clarification, that any Performance Award converted into an Award that provides for service-based vesting will be treated in accordance with clause (ii) of this subsection 11(C)); and (iv) the restrictions and deferral limitations and other conditions applicable to any Other Stock Unit Awards or any other Awards granted under the Plan may lapse and such Other Stock Unit Awards or such other Awards may become free of all restrictions, limitations or conditions and become fully vested and transferable to the full extent of the Award not previously forfeited or vested; (D) the termination of an Award in exchange for an amount equal to the excess of the fair market value of the Shares subject to the Award immediately prior to the occurrence of such transaction (which shall be no less than the value being paid for such Shares pursuant to such transaction as determined by the Committee or Board) over the Exercise Price or Strike Price, if applicable, of such Award, with such amount payable in cash, in one or more of the kinds of property payable in such transaction, or in a combination thereof, as the Committee or Board in their discretion shall determine, or (E) any combination of the foregoing. In taking any of the actions permitted by this Section 11, the Committee or Board will not be obligated to treat all Awards, all Awards held by a Participant, or all Awards of the same type, similarly. Notwithstanding the definition of Change in Control Event above in this Section 11, to the extent required to avoid the adverse tax consequences under Section 409A of the Code, a Change in Control Event shall be deemed to occur only to the extent it also meets the requirements for a change in control event for purposes of Section 409A of the Code.

In the event that the successor corporation does not assume or substitute for the Award (or portion thereof), (i) Options and Stock Appreciation Rights will vest and become immediately exercisable; (ii) restrictions and deferral limitations applicable to any Restricted Stock or Restricted Stock Unit Award will become free of all restrictions and limitations and become fully vested and transferable; (iii) all Performance Awards will be considered to be prorated, and any deferral or other restriction will lapse and such Performance Awards will be immediately settled or distributed; and (iv) the restrictions and deferral limitations and other conditions applicable to any Other Stock Unit Awards or any other Awards granted under the Plan will lapse and such Other Stock Unit Awards or such other Awards will become free of all restrictions, limitations or conditions and become fully vested and transferable to the full extent of the Award not previously forfeited or vested. In addition, if an Option or Stock Appreciation Right is not assumed or substituted in the event of a Change in Control Event, the Committee or Board will notify the Participant in writing or electronically that the Option or Stock Appreciation Right will be exercisable for a period of time determined by the Committee or Board in its sole discretion, and the Option or Stock Appreciation Right will terminate upon the expiration of such period.

For the purposes of this Section 11, an Award will be considered assumed if, following the Change in Control Event, the Award confers the right to purchase or receive, for each Share subject to the Award immediately prior to the Change in Control Event, the consideration (whether stock, cash, or other securities or property) received in the Change in Control Event by holders of Common Stock for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the Change in Control Event is not solely common stock of the successor corporation or its parent entity, the Committee or Board may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of an Option or Stock Appreciation Right or upon the payout of any other Award, for each Share subject to such Award, to be solely common stock of the successor corporation or its parent entity equal in fair market value to the per share consideration received by holders of Common Stock in the Change in Control Event.

Notwithstanding anything in this Section 11 to the contrary, an Award that vests, is earned or paid-out upon the satisfaction of one or more Performance Goals will not be considered assumed if the Company or its successor modifies any of such Performance Goals without the Participant's consent; provided, however, a modification to such Performance Goals only to reflect the successor corporation's post-Change in Control Event corporate structure will not be deemed to invalidate an otherwise valid Award assumption.

12. Clawback. All Awards granted pursuant to this Plan are subject to the Company's "clawback policy" as may be in effect at the time.

13. Transferability of Awards.

(a) Awards (subject to the limitations in paragraph (b) below) granted under the Plan may be transferred by a Participant to: (i) the Participant's family members (whether related by blood, marriage, or adoption and including a former spouse); (ii) trust(s) in which the Participant's family members have a greater than 50% beneficial interest; (iii) trusts, including but not limited to charitable remainder trusts, or similar vehicles established for estate planning and/or charitable giving purposes; and (iv) family partnerships and/or family limited liability companies which are controlled by the Participant or the Participant's family members, such transfers being permitted to occur by gift or pursuant to a domestic relation order, or, only in the case of transfers to the entities described in clauses (i), (ii) and (iii) immediately above, for value. The Committee or Board, or their authorized designees may, in their sole discretion, permit transfers of Awards to other persons or entities upon the request of a Participant. Subsequent transfers of previously transferred Awards may only be made to one of the permitted transferees named above, unless the subsequent transfer has been approved by the Committee or the Board, or their authorized designee(s). Otherwise, such transferred Awards may be transferred only by will or the laws of descent and distribution.

(b) Notwithstanding the foregoing, if at the time any Option is transferred as permitted under this Section 13, a corresponding Stock Appreciation Right has been identified as being granted in tandem with such Option, then the transfer of such Option shall also constitute a transfer of the corresponding Stock Appreciation Right, and such Stock Appreciation Right shall not be transferable other than as part of the transfer of the Option to which it relates.

(c) Concurrently with any transfer, the transferor shall give written notice to the Plan's then current Plan administrator of the name and address of the transferee, the number of Shares being transferred, the Date of Grant of the Awards being transferred, and such other information as may reasonably be required by the administrator. Following a transfer, any such Awards shall continue to be subject to the same terms and conditions as were applicable immediately prior to transfer. The provisions of the Plan and applicable Grant Documents shall continue to be applied with respect to the original Participant, and such Awards shall be exercisable by the transferee only to the extent that they could have been exercised by the Participant under the terms of the original Grant Documents. The Company disclaims any obligation to provide notice to a transferee of any termination or expiration of a transferred Award.

14. Alteration, Termination, Discontinuance, Suspension, and Amendment.

(a) The Committee or the Board may amend, alter, suspend, discontinue or terminate the Plan or any portion thereof at any time; provided that no such amendment, alteration, suspension, discontinuation or termination shall be made without (i) stockholder approval if such approval is necessary to qualify for or comply with any tax or regulatory requirement for which or with which the Committee or Board deems it necessary or desirable to qualify or comply; or (ii) the consent of the affected Participant, if such action would impair the rights of such Participant under any outstanding Award. Notwithstanding anything to the contrary herein, the Committee or the Board may make technical amendments to the Plan as may be necessary so as to have the Plan conform to any Legal Requirements in any jurisdiction within or outside the United States, so long as stockholder approval of such technical amendments is not required.

(b) The Committee or Board may amend the terms of any outstanding Award, prospectively retroactively, except that no such amendment shall impair the rights of any Participant without his or her consent. Subject to the requirements of paragraph (c) below, the Committee or Board may, without the consent of the Participant, amend any Grant Documents evidencing an Option or Stock Appreciation Right granted under the Plan, or otherwise take action, to accelerate the time or times at which an Option or Stock Appreciation Right may be exercised; to extend the expiration date of an Award; to waive any other condition or restriction applicable to an Award or to the exercise of an Option or Stock Appreciation Right; to amend the definition of a change in control of the Company (if such a definition is contained in such Grant Documents) to expand the events that would result in a change in control and to add a change in control provision to such Grant Documents (if such provision is not contained in such Grant Documents); and may amend any such Grant Documents in any other respect with the consent of the Participant.

(c) If an amendment would (i) materially increase the benefits to participants under the Plan, (ii) increase the aggregate number of Shares that may be issued under the Plan, or (iii) materially modify the requirements for participation in the Plan by materially increasing the class or number of persons eligible to participate in the Plan, then such amendment shall be subject to stockholder approval.

(d) If required by any Legal Requirement, any amendment to the Plan or any Award will also be submitted to and approved by the requisite vote of the stockholders of the Company. If any Legal Requirement requires the Plan to be amended, or in

the event any Legal Requirement is amended or supplemented (e.g., by addition of alternative rules) to permit the Company to remove or lessen any restrictions on or with respect to an Award, the Board and the Committee each reserve the right to amend the Plan or any Grant Documents evidencing an Award to the extent of any such requirement, amendment or supplement, and all Awards then outstanding will be subject to such amendment.

(e) Notwithstanding any provision of the Plan to the contrary, the Committee or the Board may not, without prior approval of the stockholders of the Company, reprice any outstanding Option by either lowering the Exercise Price thereof or canceling such outstanding Option in consideration of a grant having a lower Exercise Price. This paragraph 13(e) is intended to prohibit the repricing of “underwater” Options without prior stockholder approval and shall not be construed to prohibit the adjustments provided for in Section 15 hereof.

(f) The Plan may be terminated at any time by action of the Board. The termination of the Plan will not adversely affect the terms of any outstanding Award. The Plan will continue in effect until November 7, 2021, unless terminated earlier pursuant to its terms.

15. Adjustment of Shares; Effect of Certain Transactions. Notwithstanding any other provision of the Plan to the contrary, in the event of any change affecting the Shares subject to the Plan or any Award (through merger, consolidation, reorganization, recapitalization, dividend or other distribution (whether in the form of cash, Shares, other securities or other property), stock split, split-up, split-off, spin-off, combination of shares, exchange of shares, issuance of rights to subscribe, or other change in capital structure of the Company), appropriate adjustments or substitutions shall be made by the Committee or the Board as to the (i) Shares subject to the Plan, (ii) maximum number of Shares for which Awards may be granted to any one Associate, (iii) number of Shares and price per Share subject to outstanding Awards, and (iv) class of shares of stock that may be delivered under the Plan and/or each outstanding Award, as shall be equitable to prevent dilution or enlargement of rights under previously granted Awards. The determination of the Committee or Board as to these matters shall be conclusive.

#### 16. General Provisions.

(a) No Associate or Participant shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of Associates or Participants under the Plan.

(b) The Committee or Board shall be authorized to make adjustments in performance award criteria or in the terms and conditions of other Awards in recognition of unusual or nonrecurring events affecting the Company or its financial statements or changes in applicable laws, regulations or accounting principles. The Committee or Board may correct any defect, supply any omission, or reconcile any inconsistency in the Plan or any Award in the manner and to the extent it shall deem desirable to carry it into effect. In the event the Company shall assume outstanding employee benefit awards or the right or obligation to make future such awards in connection with the acquisition of or combination with another corporation or business entity, the Committee or Board may, in their discretion, make such adjustments in the terms of Awards under the Plan as it shall deem appropriate.

(c) All certificates for Shares delivered under the Plan pursuant to any Award shall be subject to such stock transfer orders and other restrictions as the Committee or 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 state or Federal securities law, and the Committee or Board may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

(d) No Award granted hereunder shall be construed as an offer to sell securities of the Company, and no such offer shall be outstanding, unless and until the Committee or the Board in their sole discretion has determined that any such offer, if made, would be in compliance with all applicable requirements of the U.S. Federal securities laws and any other Legal Requirements to which such offer, if made, would be subject.

(e) The Committee or the Board shall be authorized to establish procedures pursuant to which the payment of any Award may be deferred. Subject to the provisions of the Plan and any Grant Documents, the recipient of an Award (including, without limitation, any deferred Award) may, if so determined by the Committee or the Board, be entitled to receive, currently or on a deferred basis, cash dividends, or cash payments in amounts equivalent to cash dividends on Shares (“dividend equivalents”), with respect to the number of Shares covered by the Award, as determined by the Committee or the Board, in their sole discretion, and the Committee or Board may provide that such amounts (if any) shall be deemed to have been reinvested in additional Shares or otherwise reinvested.

(f) The Company shall be authorized to withhold from any Award granted or payment due under the Plan the amount of withholding taxes due in respect of an Award or payment hereunder and to take such other action as may be necessary in the opinion of the Plan administrator to satisfy all obligations for the payment of such taxes, not to exceed the statutory minimum withholding obligation. The Committee or Board shall be authorized to establish procedures for election by Participants to satisfy

such obligations for the payment of such taxes (i) by delivery of or transfer of Shares to the Company, (ii) with the consent of the Committee or the Board, by directing the Company to retain Shares otherwise deliverable in connection with the Award, (iii) by payment in cash of the amount to be withheld, or (iv) by withholding from any cash compensation otherwise due to the Participant.

(g) Nothing contained in this Plan shall prevent the Board from adopting other or additional compensation arrangements, subject to stockholder approval if required, and such arrangements may be either generally applicable or applicable only in specific cases.

(h) The validity, construction, and effect of the Plan and any rules and regulations relating to the Plan shall be determined in accordance with the laws of the state of Delaware and applicable Federal law.

(i) If any provision of this Plan is or becomes or is deemed invalid, illegal or unenforceable in any jurisdiction, or would disqualify the Plan or any Award under any law deemed applicable by the Committee or the Board, such provision shall be construed or deemed amended to conform to applicable law, or if it cannot be construed or deemed amended without, in the determination of the Committee or the Board, materially altering the intent of the Plan, it shall be stricken, and the remainder of the Plan shall remain in full force and effect.

(j) Awards may be granted to Participants who are foreign nationals or employed outside the United States, or both, on such terms and conditions different from those applicable to Awards to Participants employed in the United States as may, in the judgment of the Committee or the Board, be necessary or desirable in order to recognize differences in local law or tax policy. The Committee or Board also may impose conditions on the exercise or vesting of Awards in order to minimize the Company's obligations with respect to tax equalization for Associates on assignments outside their home country.

(k) No Award shall be granted or exercised if the grant of the Award or the exercise and the issuance of shares or other consideration pursuant thereto would be contrary to the Legal Requirements of any duly constituted authority having jurisdiction.

(l) The Plan will not confer upon any Participant any right with respect to continuance of employment or other service with the Company or any Subsidiary or Affiliated Company, nor will it interfere in any way with any right the Company or any Subsidiary or Affiliated Company would otherwise have to terminate a Participant's employment or other service at any time.

## PERFORMANCE UNIT AWARD AGREEMENT

This Performance Unit Award Agreement (the “Agreement”), the accompanying Notice of Performance Unit Award (the “Notice”), and the 2005 Equity Compensation Plan of Acxiom Corporation (the “Plan”), constitute the agreement between Acxiom Corporation (the “Company”) and you with regard to the Performance Units pertaining to the Company’s common stock (“Common Stock”) described in the Notice. Capitalized terms not otherwise defined herein will have the meanings set forth in the Plan. In the event of a conflict between the terms of the Plan and this Agreement, the terms of the Plan shall govern.

1. **Acceptance of Terms.** Your acceptance and retention of the award described in the accompanying Notice, as evidenced by your electronic acceptance of the Notice, shall constitute your acceptance of the terms and conditions set forth in the Notice, this Agreement, and the Plan.

2. **Your Rights with Respect to the Performance Units.**

(a) **Shareholder Rights.** Upon vesting, the Performance Units granted pursuant to the Notice will entitle you to the all the rights of a shareholder of the Company’s Common Stock as to the amount of shares of Common Stock (“Shares”) currently vested. You will have no shareholder rights with respect to any unvested Performance Units, and your rights with respect to the Performance Units will remain forfeitable prior to the date on which such rights become vested.

(b) **Conversion of Performance Units; Issuance of Shares.** Upon the vesting date, you will be entitled to receive, as soon as administratively practicable, 100% of the Shares in accordance with the Notice. No Shares will be issued to you prior to the date on which the Performance Units vest.

3. **Vesting.** Unless otherwise specified by the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”), Performance Units shall vest and the restrictions with respect to the Performance Units shall lapse as set forth in the Notice, provided that you remain continuously employed by the Company. If your employment with the Company terminates prior to the Performance Units vesting, the Performance Units will be forfeited upon the effective date of the termination. The provisions of this Section 3 are subject to the provisions of Section 5 below entitled “Forfeiture of Shares.”

4. **Conversion to Restricted Stock Units In Connection with a Change in Control** If agreed to by the Company in the Definitive Agreements (as defined below), upon the occurrence of a Change in Control Event (as defined in Section 11 of the Plan), the acquiring or surviving entity (or an affiliate of such entity) may assume or substitute for the Performance Units. Upon the occurrence of a Change in Control Event, the Performance Period, as set forth in the applicable Addendum to the Notice (the “Addendum”), will be truncated, and a number of Performance Units will become eligible to vest (the “Eligible PSUs”) based on the degree of achievement of performance objectives (as set forth in the Addendum) as of the date of the Change in Control Event (such date, the “Change in Control Date”). Eligible PSUs will be treated as unvested restricted stock units, and if assumed or substituted for by the acquiring or surviving entity (or an affiliate of such entity) in accordance with the terms of the definitive agreements relating to the Change in Control (the “Definitive Agreements”), will convert into restricted stock units (or other compensatory arrangements) of equal value to be settled in cash or shares (determined in accordance with the Definitive Agreements) by the acquiring or surviving entity (or an affiliate of such entity), as applicable (the “Assumed Eligible PSUs”). In the event the Participant remains employed with the acquiring or surviving entity (or an affiliate of such entity), as applicable, through the end of the applicable performance period (such date, the “Performance Period End Date”), the Assumed Eligible PSUs will become fully vested and will be settled within thirty (30) days of the Performance Period End Date. Subject to any vesting acceleration arising from another written agreement or policy between the Participant and the Company, in the event the Participant’s employment terminates for any reason before the Performance Period End Date, the Participant’s Assumed Eligible Performance Units will be immediately forfeited.

5. **Forfeiture of Performance Units and Shares for Engaging in Certain Activities.**

(a) If at any time during your employment with the Company and/or its subsidiaries and affiliated companies, or within one year after termination of your employment you engage in any activity which competes with any activity of the Company and/or its subsidiaries and affiliated companies, or if you engage in any of the prohibited activities listed in subsection (b) below, then

(i) any unvested Performance Units granted to you shall be canceled;

(ii) with respect to any Shares received by you pursuant to Section 2(b) above within the three-year period before and the three-year period after your termination date, you shall pay to the Company an amount equal to the proceeds of any sale or distribution of those Shares (the “Forfeited Shares”), or, if still held by you, the aggregate fair market value of such Forfeited Shares as of the date of vesting; and

(iii) the Company shall be entitled to set off against the amount of any such Forfeited Shares any amounts owed to you by the Company.

(b) The prohibited activities include:

(1) accepting employment with or serving as a consultant, advisor or in any other capacity to anyone that is in competition with or acting against the interests of the Company;

(2) disclosing or misusing any confidential information or material concerning the Company;

(3) any attempt, directly or indirectly, to induce any associate of the Company to be employed or perform services elsewhere;

(4) any attempt, directly or indirectly, to solicit the trade or business of any current or prospective customer of the Company;

(5) the failure or refusal to disclose promptly and to assign to the Company all right, title and interest in any invention or idea made or conceived in whole or in part by you in the course of your employment by the Company, relating to the actual or anticipated business, research or development work of the Company, or the failure or refusal to do anything reasonably necessary to enable the Company to secure a patent or other intellectual property right;

(6) participating in a hostile takeover attempt against the Company;

(7) a material violation of Company policy, including, without limitation, the Company's insider trading policies; or

(8) conduct related to your employment for which you have been convicted of criminal conduct or for which you have been assessed civil penalties.

(c) Upon receipt of any Shares pursuant to Section 2(b) of this Agreement, you agree to certify, if requested by the Company, that you are in compliance with the terms and conditions of this Agreement.

(d) You may be released from your obligations under this Section 5 only if the Committee, or its authorized designee(s), determines in its sole discretion that to do so is in the best interests of the Company.

6. **Restriction on Transfer.** Performance Units may not be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of by you except as provided under the Plan, and any unauthorized purported sale, assignment, transfer, pledge, hypothecation or other disposition shall be void and unenforceable against the Company.

7. **Taxes.** In order to comply with all applicable federal or state income tax laws or regulations, the Company may take such action as it deems appropriate to ensure that all applicable or state payroll, withholding, income or other taxes, which are your sole and absolute responsibility, are withheld or collected from you.

8. **Amendments.** All amendments to this Agreement shall be in writing; *provided* that this Agreement is subject to the power of the Committee and/or the Board to amend the Plan as provided therein, except that no such amendment to the Plan shall adversely affect your rights under this Agreement without your consent.

9. **Notices.** Any notice to be given under this Agreement to the Company shall be addressed to the Company in care of its performance plan administrator. Any notice to be given to you shall be addressed to you at the address listed in the Company's records. By a notice given pursuant to this Section, either party may designate a different address for notices. Any notice shall have been deemed given when actually delivered.

10. **Delivery of Certificates.** Notwithstanding any other provision of this Agreement, the Company is not required to issue or deliver any certificates for shares before completing the steps necessary to comply with applicable federal and state securities laws (including any registration requirements) and applicable stock exchange rules and practices. The Company will use commercially reasonable efforts to cause compliance with those laws, rules and practices.

11. **Clawback.** This Award is subject to the Company's "clawback policy" as may be in effect at the time.

12. **Administration.** The Committee and the Board administer the Plan. Your rights under this Agreement are expressly subject to the terms and conditions of the Plan, including continued shareholder approval of the Plan, and to any guidelines the Committee or the Board adopts from time to time. You hereby acknowledge receipt of a copy of the Plan.

13. **Severability.** If any part of this Agreement is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not serve to invalidate any part of this Agreement not declared to be unlawful or invalid. Any part so declared unlawful or invalid shall, if possible, be construed in a manner which gives effect to the terms of such part to the fullest extent possible while remaining lawful and valid.

14. **Applicable Law.** This Agreement shall be governed by the laws (excluding the conflict of laws rules) of the State of Delaware.

15. **Forum Selection** At all times each party hereto: (a) irrevocably submits to the exclusive jurisdiction of any Arkansas court or Federal court sitting in Arkansas; (b) agrees that any action or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby will be heard and determined in such Arkansas or Federal court; (c) to the extent permitted by law, irrevocably waives (i) any objection such party may have to the laying of venue of any such action or proceeding in any of such courts, or (ii) any claim that such party may have that any such action or proceeding has been brought in an inconvenient forum; and (d) to the extent permitted by law, irrevocably agrees that a final nonappealable judgment in any such action or proceeding will be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this section entitled "Forum Selection" will affect the right of any party hereto to serve legal process in any manner permitted by law

16. **Headings.** Headings are for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

## ACXIOM CORPORATION AND SUBSIDIARIES

CERTIFICATION

I, Scott E. Howe, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Acxiom Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: February 7, 2018

By: /s/ Scott E. Howe

(Signature)

Scott E. Howe

Chief Executive Officer & President



## ACXIOM CORPORATION AND SUBSIDIARIES

CERTIFICATION

I, Warren C. Jenson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Acxiom Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: February 7, 2018

By: /s/ Warren C. Jenson

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(Signature)

Warren C. Jenson

Chief Financial Officer & Executive Vice President

**CERTIFICATION PURSUANT TO**

**18 U.S.C. SECTION 1350,**

**AS ADOPTED PURSUANT TO**

**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the accompanying Quarterly Report on Form 10-Q of Acxiom Corporation (the “Company”) for the period ending December 31, 2017 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Scott E. Howe, Chief Executive Officer & President of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

*/s/ Scott E. Howe*

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Scott E. Howe

Chief Executive Officer & President

February 7, 2018

**CERTIFICATION PURSUANT TO**

**18 U.S.C. SECTION 1350,**

**AS ADOPTED PURSUANT TO**

**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the accompanying Quarterly Report on Form 10-Q of Acxiom Corporation (the “Company”) for the period ending December 31, 2017 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Warren C. Jenson, Chief Financial Officer & Executive Vice President of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Warren C. Jenson

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Warren C. Jenson

Chief Financial Officer & Executive Vice President

February 7, 2018