

AEROHIVE NETWORKS, INC.

INSIDER TRADING POLICY
and
Guidelines with Respect to
Certain Transactions in Securities

Approved as of February 26, 2014 and effective as of the
closing of the Company's initial public offering

(amended effective 8-1-2017)

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INTRODUCTION

Aerohive Networks, Inc. (together with its subsidiaries, the “**Company**”) opposes the unauthorized disclosure of any nonpublic information acquired in the course of your service with the Company and the misuse of material nonpublic information, including in conjunction with securities trading. Any such actions will be deemed violations of this Insider Trading Policy (the “**Policy**”). The Policy applies to all employees and service providers, and compliance at all times is a condition of continuing employment and such service provider relationship.

I. Legal prohibitions on insider trading

The antifraud provisions of U.S. federal securities laws prohibit directors, officers, employees and other individuals who possess material nonpublic information from trading on the basis of that information. Transactions will be considered “on the basis of” material nonpublic information if the person engaged in the transaction was aware of the material nonpublic information at the time of the transaction. It is not a defense that the person did not “use” the information for purposes of the transaction.

Disclosing material nonpublic information directly or indirectly to others who then trade based on that information or making recommendations or expressing opinions as to transactions in securities while aware of material nonpublic information (which is sometime referred to as “tipping”) is also illegal. Both the person who provides the information, recommendation or opinion (“tipping”) and the person who then trades based on it may be liable.

These illegal activities are commonly referred to as “insider trading.” State securities laws and securities laws of jurisdictions outside the U.S. also impose restrictions on insider trading.

In addition, a company, as well as individual directors, officers and other supervisory personnel, may be subject to liability as “controlling persons” for failure to take appropriate steps to prevent insider trading by those under their supervision, influence or control.

II. Detection and prosecution of insider trading

The U.S. Securities and Exchange Commission (the “**SEC**”), the National Association of Securities Dealers, the Financial Industry Regulatory Authority and the New York Stock Exchange use sophisticated electronic surveillance techniques to investigate and detect insider trading, and the SEC and the U.S. Department of Justice pursue insider trading violations vigorously. Cases involving trading through foreign accounts, trading by family members and friends and trading involving only a small number of shares can be detected have been successfully prosecuted.

III. Penalties for violation of insider trading laws and this Policy

Civil and criminal penalties. As of the effective date of this Policy, potential penalties for insider trading violations under U.S. federal securities laws include:

damages in a private lawsuit;

- disgorging any profits made or losses avoided;
- imprisonment for up to 20 years;
- criminal fines of up to \$5 million for individuals and \$25 million for entities;
- civil fines of up to three times the profit gained or loss avoided;
- a bar against serving as an officer or director of a public company; and
- an injunction against future violations.

Civil and criminal penalties also apply to tipping. The SEC has imposed large penalties in tipping cases even when the disclosing person did not trade or gain any benefit from another person's trading.

Controlling person liability. As of the effective date of this Policy, the penalty for "controlling person" liability is a civil fine of up to the greater of \$1.425 million or three times the profit gained or loss avoided as a result of the insider trading violations, as well as potential criminal fines and imprisonment.

IV. Employment Termination

If the Company has a reasonable basis to conclude that you have failed to comply with this Policy, you may be subject to disciplinary action by the Company, up to and including dismissal for cause, regardless of whether your failure to comply with this Policy results in a violation of law. It is not necessary for the Company to wait for the filing or conclusion of any civil or criminal action against an alleged violator before taking disciplinary action. In addition, the Company may give to the Company's transfer agent instructions regarding your or third party trading activity, including top transfer and other instructions, to enforce compliance with this Policy.

V. Insider Trading Compliance Officer

Please direct any questions, requests or reports as to any of the matters discussed in this Policy to the Company's General Counsel, who is Insider Trading Compliance Officer (the "**Compliance Officer**"). The Compliance Officer is generally responsible for the administration of this Policy. The Compliance Officer may select others to assist with the execution of his or her duties.

VI. Reporting violations

It is your responsibility to understand, comply with and help enforce this Policy. You should be alert to possible violations and promptly report violations or suspected violations of this Policy to the Compliance Officer. If your situation requires that your identity be kept secret, the Company will use reasonable efforts to preserve your anonymity to the extent reasonably possible. You may report violations or suspected violations of this Policy in one of the following ways:

- Via electronic mail to the General Counsel at Generalcounsel@aerohive.com;

- Via electronic mail to a third party service provider at aerohivenetworks@answernet.com, or by logging on to www.thecompliancpartners.com/aerohivenetworks
- Via the Company's telephone hotline at **888-670-3675**; or
- Via regular mail to the Company's headquarters address, Attn: General Counsel.

If you wish to remain anonymous, you may send a letter addressed to the Compliance Officer at Aerohive Networks, Inc., 1011 McCarthy Blvd., Milpitas, CA 95035. If you make an anonymous report, please provide as much detail as possible, including any evidence that you believe may be relevant to the issue.

VII. Personal responsibility

The ultimate responsibility for complying with this Policy and applicable laws and regulations rests with you. You should use your best judgment at all times and consult with your personal legal and financial advisors, as needed. We advise you to seek assistance if you have any questions at all. The rules relating to insider trading can be complex, and a violation of insider trading laws can carry severe consequences.

PERSONS AND TRANSACTIONS COVERED BY THIS POLICY

I. Persons covered by this Policy

This Policy applies to all directors, officers, employees and agents (such as consultants and independent contractors) of the Company. References in this Policy to "you" (as well as general references to directors, officers, employees and agents of the Company) should also be understood to include members of your immediate family, persons with whom you share a household, persons that are your economic dependents and any other individuals or entities whose transactions in securities influence, direct or control (including, for example, a venture or other investment fund, if you influence, direct or control transactions by the fund). You are responsible for making sure that these other individuals and entities comply with this Policy.

II. Types of transactions covered by this Policy

Except as discussed in the section entitled "Limited Exceptions," this Policy applies to *all* transactions *involving* the securities of the Company or the securities of other companies as to which you possess material nonpublic information obtained in the course of your service with the Company. This Policy therefore applies to purchases, sales and other transfers of common stock, options, warrants, preferred stock, debt securities (such as debentures, bonds and notes) and other securities. This Policy also applies to any arrangements that affect economic exposure to changes in the prices of these securities. These arrangements may include, among other things, transactions in derivative securities (such as exchange-traded put or call options), hedging transactions, short sales and certain decisions with respect to participation in benefit plans. This Policy also applies to any offers with respect to the transactions discussed above.

You should note that there are no exceptions from insider trading laws or this Policy based on the size of the transaction.

III. Responsibilities regarding the nonpublic information of other companies

This Policy prohibits the unauthorized disclosure or other misuse of any nonpublic information of other companies, such as the Company's distributors, vendors, customers, collaborators, suppliers and competitors. This Policy also prohibits insider trading and tipping based on the material nonpublic information of other companies.

IV. No disclosing material nonpublic information for the benefit of others

You may not disclose material nonpublic information concerning the Company or any other company to friends, family members or any other person or entity not authorized to receive such information where such person or entity may benefit by trading on the basis of such information. In addition, you may not make recommendations or express opinions on the basis of material nonpublic information as to trading in the securities of companies to which such information relates. You are prohibited from engaging in these actions whether you derive any profit or personal benefit from doing so. This prohibition against disclosure of material nonpublic information includes disclosure (even anonymous disclosure) via the internet, blogs, investor forums or chat rooms where companies and their prospects are discussed.

V. Responding to outside inquiries for information

In the event you receive an inquiry from someone outside of the Company, such as a stock analyst, for information, you should not respond but instead refer the inquiry to the Company's Compliance Officers. The Company is required under Regulation FD (Fair Disclosure) of the U.S. federal securities laws to avoid the selective disclosure of material nonpublic information. In general, the regulation provides that when a public company discloses material nonpublic information, it must provide broad, non-exclusionary access to the information. Violations of this regulation can subject the Company to SEC enforcement actions, which may result in injunctions and severe monetary penalties. The Company has established procedures for releasing material information in a manner that is designed to achieve broad public dissemination of the information immediately upon its release in compliance with applicable law. Please consult the Company's External Communications Policy for more details.

VI. No trading on material nonpublic information

Except as discussed in the section entitled "Limited Exceptions" below, you may not, directly or indirectly through others, engage in any transaction involving the Company's securities *while aware of* material nonpublic information relating to the Company. It is not an excuse that you did not "use" the information in your transaction.

Similarly, you may not engage in transactions involving the securities of any other company if you are aware of material nonpublic information about that company (except to the extent the transactions are analogous to those presented in the section entitled "Limited Exceptions"). For example, you may be involved in a proposed transaction involving a prospective business relationship with or transaction between the Company and another company. If information about that transaction constitutes material nonpublic information for

that other company, you would be prohibited from engaging in transactions involving the securities of that other company (as well as transactions involving Company securities, if that information is material to the Company). It is important to note that “materiality” is different for different companies. Information that is not material to the Company may be material to another company.

VII. Applicability of this Policy applies after your departure

You are expected to comply with this Policy until such time as you are no longer affiliated with the Company *and* thereafter, until you no longer possess any material nonpublic information subject to this Policy. In addition, if you are subject to a trading blackout under this Policy at the time you cease to be affiliated with the Company, you are expected to abide by the applicable trading restrictions until at least the end of the relevant blackout period.

VIII. No exceptions

There may be instances where you suffer financial harm or other hardship or are otherwise required to forego a planned transaction because of the restrictions imposed by this Policy. Personal financial emergency or other personal circumstances are not mitigating factors under securities laws and will not excuse a failure to comply with this Policy. In addition, a black-out or trading-restricted period will not extend the term of your options. As a consequence, you may be prevented from exercising your options by this Policy or as a result of a black-out or other restriction on your trading, and as a result your options expire by their term. It is your responsibility to manage your economic interests and to consider potential trading restrictions when determining whether to exercise your options. In these instances, the Company cannot extend the term of your options and has no obligation or liability to replace the economic value or lost benefit to you.

MATERIAL NONPUBLIC INFORMATION

I. “Material” information

It is not possible to define all categories of “material” information. Information should be regarded as “material” if there is a substantial likelihood that a reasonable investor would consider it important in deciding whether to buy, hold or sell securities or would view the information as significantly altering the total mix of information in the marketplace about the issuer of the security. In general, any information that could reasonably be expected to affect the market price of a security is likely to be material. Either positive or negative information may be material.

Some examples of information that could be regarded as material include information with respect to:

- Financial results, financial condition, earnings pre-announcements, guidance, projections or forecasts, particularly if inconsistent with the Company’s guidance or the expectations of the investment community;
- Restatements of financial results, or material impairments, write-offs or restructurings;
- Changes in independent auditors, or notification that the Company may no longer rely on an audit report;
- Business plans or budgets;
- Creation of significant financial obligations, or any significant default under or acceleration of any financial obligation;
- Impending bankruptcy or financial liquidity problems;
- Significant developments involving business relationships, including execution, modification or termination of significant agreements or orders with customers, suppliers, distributors, manufacturers or other business partners;
- Product introductions, modifications, defects or recalls or significant pricing changes or other product announcements of a significant nature;
- Significant developments in research and development or relating to intellectual property;
- Significant legal or regulatory developments, whether actual or threatened;
- Major events involving the Company’s securities, including calls of securities for redemption, adoption of stock repurchase programs, option repricings, stock splits, changes in dividend policies, public or private securities offerings, modification to the rights of security holders or notice of delisting;
- Significant corporate events, such as a pending or proposed merger, joint venture or tender offer, a significant investment, the acquisition or disposition of a significant business or asset or a change in control of the Company;
- The existence of a special blackout period; and

- Major personnel changes, such as changes in senior management or lay-offs.

If you have any questions as to whether information should be considered “material,” you should consult with the Compliance Officer. In general, resolve any close questions as to the materiality of any information by assuming that the information is material.

II. “Nonpublic” information

Information is considered “nonpublic” if the information has not been broadly disseminated to the public for a sufficient period to be reflected in the price of the security. As a general rule, information should be considered nonpublic until at least *one full trading day* have elapsed after the information is broadly distributed to the public in a press release, a public filing with the SEC, a pre-announced public webcast or another broad, non-exclusionary form of public communication. However, depending upon the form of the announcement and the nature of the information, it is possible that information may not be fully absorbed by the marketplace until a later time. Any questions as to whether information is nonpublic should be directed to the Compliance Officer.

The term “**trading day**” means a day on which national stock exchanges are open for trading. A “**full**” trading day has elapsed when, after the public disclosure, trading in the relevant security has opened and then closed.

TRADING BLACKOUT PERIODS

To limit the likelihood of trading at times when there is a significant risk of insider trading exposure, the Company has instituted quarterly trading blackout periods and may institute special trading blackout periods from time to time. In addition, to comply with applicable legal requirements, the Company may also institute blackout periods that prevent directors and officers from trading in Company securities at a time when employees are prevented from trading Company securities in the Company's 401(k) plan

It is important to note that whether you are subject to blackout periods, you remain subject to all prohibitions on trading on the basis of material nonpublic information and any other applicable restrictions in this Policy.

I. Quarterly blackout periods

Except as discussed in the section entitled "Limited Exceptions" below, directors, executive officers and other employees and agents identified by the Company must refrain from conducting transactions involving the Company's securities during quarterly blackout periods. Even if you are not specifically identified as being subject to quarterly blackout periods, you should exercise caution when engaging in transactions during quarterly blackout periods because of the heightened risk of insider trading exposure.

Quarterly blackout periods begin on the 2nd Friday of the third month of each fiscal quarter and end at the start of the second full trading day following the date of public disclosure of the financial results for that fiscal quarter. This period is a particularly sensitive time for transactions involving the Company's securities from the perspective of compliance with applicable securities laws due to the fact that, during this period, individuals may often possess or have access to material nonpublic information relevant to the expected financial results for the quarter.

Individuals subject to quarterly blackout periods are listed on **Schedule I**. From time to time, the Company may review this list, including identifying other persons who should be subject to quarterly blackout periods.

II. Special blackout periods

From time to time, the Company may also prohibit directors, officers, employees and agents from engaging in transactions involving the Company's securities when, in the judgment of the Compliance Officer, a trading blackout is warranted. The Company will generally impose special blackout periods when there are material developments known to the Company that have not yet been disclosed to the public. For example, the Company may impose a special blackout period in anticipation of announcing interim earnings guidance or a significant transaction or business development. However, special blackout periods may be declared for any reason.

The Company will notify those persons subject to a special blackout period. Each person who has been so identified and notified by the Company may not engage in any transaction involving the Company's securities until instructed otherwise by the Compliance Officer, and should not disclose to others the fact of such suspension of trading.

III. Regulation BTR blackouts

Directors and executive officers may also be subject to trading blackouts pursuant to Regulation Blackout Trading Restriction, or “**Regulation BTR**,” under U.S. federal securities laws. In general, Regulation BTR prohibits any director or executive officer from engaging in certain transactions involving Company securities during periods when 401(k) plan participants are prevented from purchasing, selling or otherwise acquiring or transferring an interest in certain securities held in individual account plans. Any profits realized from a transaction that violates Regulation BTR are recoverable by the Company, regardless of the intentions of the director or officer effecting the transaction. In addition, individuals who engage in such transactions are subject to sanction by the SEC as well as potential criminal liability. The Company has provided, or will provide, separate memoranda and other appropriate materials to its directors and executive officers regarding compliance with Regulation BTR.

The Company will notify directors and officers if they are subject to a blackout trading restriction under Regulation BTR. Failure to comply with an applicable trading blackout in accordance with Regulation BTR is a violation of law and this Policy.

IV. No “safe harbors”

There are no unconditional “safe harbors” for trades made at particular times, and all persons subject to this Policy should exercise good judgment at all times. Even when a quarterly blackout period is not in effect, you may be prohibited from engaging in transactions involving the Company’s securities because you possess material nonpublic information, are subject to a special blackout period or are otherwise restricted under this Policy.

PRE-CLEARANCE OF TRADES

Except as discussed in the section entitled “Limited Exceptions” below, directors and executive officers are required to provide minimum advance notice to the Company’s Compliance Officer before engaging in any transaction involving the Company’s securities. In addition, the Company has determined that certain other employees of and agents to the Company that may have regular or special access to material nonpublic information should refrain from engaging in any transaction involving the Company’s securities without first obtaining pre-clearance of the transaction from the Compliance Officer. The Compliance Officer may not engage in a transaction involving the Company’s securities unless the Company’s Chief Executive Officer or Chief Financial Officer, or their delegate has pre-cleared the transaction.

Individuals subject to pre-clearance requirements are listed on **Schedule II**. From time to time, the Company may identify other persons who should be subject to the pre-clearance requirements set forth above, and the Compliance Officer may update and revise **Schedule II** as appropriate.

These pre-clearance procedures are intended to decrease insider trading risks associated with transactions by individuals with regular or special access to material nonpublic information. In addition, requiring pre-clearance of transactions by directors and officers facilitates compliance with Rule 144 resale restrictions under the Securities Act of 1933, as amended, and the liability and reporting provisions of Section 16 under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”) and Regulation BTR. Pre-clearance of a trade, however, is not a defense to a claim of insider trading and does not excuse you from otherwise complying with insider trading laws or this Policy. Further, pre-clearance of a transaction does not constitute an affirmation by the Company or the Compliance Officer that you are not in possession of material nonpublic information.

The Compliance Officer is under no obligation to approve a transaction submitted for pre-clearance, and may determine not to permit the transaction. The Company assumes no liability to you in any manner regarding your trading activity or any proposed transaction. Even where the Company has reviewed and does not object to a transaction, it is your responsibility to assure that your trading activity complies at all times with all applicable laws and requirements.

ADDITIONAL RESTRICTIONS AND GUIDANCE

This section addresses certain types of transactions that may expose you and the Company to significant risks. You should understand that, even though a transaction may not be expressly prohibited by this section, you are responsible for ensuring that the transaction otherwise complies with other provisions in this Policy that may apply to the transaction, such as the general prohibition against insider trading as well as pre-clearance procedures and blackout periods, to the extent applicable.

I. Short sales

Short sales (*i.e.*, the sale of a security that must be borrowed to make delivery) and “selling short against the box” (*i.e.*, a sale with a delayed delivery) with respect to Company securities are prohibited under this Policy. Short sales may signal to the market possible bad news about the Company or a general lack of confidence in the Company’s prospects, and an expectation that the value of the Company’s securities will decline. In addition, short sales are effectively a bet against the Company’s success and may reduce the seller’s incentive to improve the Company’s performance. Short sales may also create a suspicion that the seller is engaged in insider trading.

II. Derivative securities and hedging transactions

You are prohibited from engaging in transactions in publicly traded options, such as puts and calls, and other derivative securities with respect to the Company’s securities. This prohibition extends to any hedging or similar transaction designed to decrease the risks associated with holding Company securities. Stock options, stock appreciation rights, and other securities issued pursuant to Company benefit plans or other compensatory arrangements with the Company are not subject to this prohibition.

Transactions in derivative securities may reflect a short-term and speculative interest in the Company’s securities and may create the appearance of impropriety, even where a transaction does not involve trading on inside information. Trading in derivatives may also focus attention on short-term performance at the expense of the Company’s long-term objectives. In addition, the application of securities laws to derivatives transactions can be complex, and persons engaging in derivatives transactions run an increased risk of violating securities laws.

III. Using Company securities as collateral for loans

If you are required to comply with Section 16 of the Exchange Act or the blackout periods or pre-clearance requirements under this Policy (*i.e.*, if you are listed on **Schedule I** or **Schedule II**), you may not pledge Company securities as collateral for loans. If you default on the loan, the lender may sell the pledged securities as collateral in a foreclosure sale. The sale, even though not initiated at your request, is still considered a sale for your benefit and, if made at a time when you are aware of material nonpublic information subject to a black-out or otherwise are not permitted to trade in Company securities, may result in insider trading violations, Section 16 and Regulation BTR violations (for officers and directors), violations of this Policy and unfavorable publicity for you and the Company.

IV. Holding Company securities in margin accounts

If you are required to comply with Section 16 of the Exchange Act or the blackout periods or pre-clearance requirements under this Policy (*i.e.*, if you are listed on **Schedule I**, and **Schedule II**), you may not hold Company securities in margin accounts. Under typical margin arrangements, if you fail to meet a margin call, the broker may be entitled to sell securities held in the margin account without your consent. The sale, even though not initiated at your request, is still considered a sale for your benefit and, if made at a time when you are aware of material nonpublic information subject to a black-out or are otherwise not permitted to trade, may result in inadvertent insider trading violations, Section 16 and Regulation BTR violations (for officers and directors), violations of this Policy and unfavorable publicity for you and the Company.

V. Placing open orders with brokers

Except in accordance with an approved trading plan (as discussed below), you should exercise caution when placing open orders, such as limit orders or stop orders, with brokers, particularly where the order is likely to remain outstanding for an extended period of time. Open orders may result in the execution of a trade at a time when you are aware of material nonpublic information or otherwise are not permitted to trade in Company securities, which may result in inadvertent insider trading violations, Section 16 and Regulation BTR violations (for officers and directors), violations of this Policy and unfavorable publicity for you and the Company. If you are subject to blackout periods or pre-clearance requirements, you should so inform any broker with whom you place any open order at the time it is placed.

LIMITED EXCEPTIONS

The following are certain limited exceptions to the restrictions imposed by the Company under this Policy. Please be aware that even if a transaction is subject to an exception to this Policy, you will need to separately assess whether the transaction complies with applicable law. For example, even if a transaction is indicated as exempt from this Policy, you may need to comply with the “short-swing” trading restrictions under Section 16 of the Exchange Act, to the extent applicable. You are responsible for complying with applicable law at all times.

I. Transactions pursuant to a trading plan that complies with SEC rules

The SEC has enacted rules that provide an affirmative defense against alleged violations of U.S. federal insider trading laws for transactions pursuant to trading plans that meet certain requirements. In general, these rules, as set forth in Rule 10b5-1 under the Securities Exchange Act, provide for an affirmative defense if you enter into a contract, provide instructions or adopt a written plan for trading securities when you are not aware of material nonpublic information. The contract, instructions or plan must (i) specify the amount, price and date of the transaction, (ii) specify an objective method for determining the amount, price and date of the transaction and/or (iii) place any subsequent discretion for determining the amount, price and date of the transaction in another person who is not, at the time of the transaction, aware of material nonpublic information.

Transactions made pursuant to a written trading plan that (i) complies with the affirmative defense set forth in Rule 10b5-1 and (ii) is approved by the Compliance Officer, are not subject to the restrictions in this Policy against trades made while aware of material nonpublic information or to the pre-clearance procedures or blackout periods established under this Policy. In approving a trading plan, the Compliance Officer may, in furtherance of the objectives expressed in this Policy, impose criteria in addition to those set forth in Rule 10b5-1. Therefore, you must confer with the Compliance Officer prior to entering into any trading plan.

The SEC rules regarding trading plans are complex and must be complied with completely to be effective. The description provided above is only a summary, and the Company strongly advises that you consult with your personal legal advisor if you intend to adopt a trading plan. While trading plans are subject to review and approval by the Company, the individual adopting the trading plan is ultimately responsible for compliance with Rule 10b5-1 and ensuring that the trading plan complies with this Policy.

Trading plans must be filed with the Compliance Officer and must be accompanied with an executed certificate stating that the trading plan complies with Rule 10b5-1 and any other criteria established by the Company. The Company may publicly disclose information regarding trading plans that you may enter into.

II. Receipt and vesting of stock options, restricted stock units, restricted stock and stock appreciation rights

The trading restrictions under this Policy do not apply to the grant or award to you of stock options, restricted stock units, restricted stock or stock appreciation rights by the Company. The trading restrictions under this Policy also do not apply to the vesting, cancellation or forfeiture of stock options, restricted stock units, restricted stock or stock appreciation rights

in accordance with applicable plans and agreements. This policy also does not apply to the withholding of securities to cover tax obligations in connection with the vesting of restricted stock and restricted stock units. However, the trading restrictions do apply to any subsequent sales of any such securities.

III. Exercise of stock options for cash

The trading restrictions under this Policy do not apply to the exercise of stock options for cash under the Company's stock option plans. Likewise, the trading restrictions under this Policy do not apply to the exercise of stock options in a stock-for-stock exercise with the Company or an election to have the Company withhold securities to cover tax obligations in connection with an option exercise. However, the trading restrictions under this Policy do apply to (i) the sale of any securities issued upon the exercise of a stock option, (ii) a cashless exercise of a stock option through a broker, since this involves selling a portion of the underlying shares to cover the costs of exercise, and (iii) any other market sale for the purpose of generating the cash needed to pay the exercise price of an option.

IV. Purchases from the employee stock purchase plan

The trading restrictions in this Policy do not apply to elections with respect to participation in the Company's employee stock purchase plan or to purchases of securities under the plan. However, the trading restrictions do apply to any subsequent sales of any such securities.

V. Stock splits, stock dividends and similar transactions

The trading restrictions under this Policy do not apply to a change in the number of securities held as a result of a stock split or stock dividend applying equally to all securities of a class, or similar transactions.

VI. *Bona fide* gifts and inheritance

The trading restrictions under this Policy do not apply to *bona fide* gifts involving Company securities or transfers by will or the laws of descent and distribution.

VII. Change in form of ownership

Transactions that involve merely a change in the form in which you own securities are not subject to the trading restrictions under this Policy. For example, you may transfer shares to an *inter vivos* trust of which you are the sole beneficiary during your lifetime.

VIII. Other exceptions

Any other exception from this Policy must be approved by the Compliance Officer, in consultation with the Board of Directors or an independent committee of the Board of Directors.

COMPLIANCE WITH SECTION 16 OF THE SECURITIES EXCHANGE ACT

I. Obligations under Section 16

Section 16 of the Exchange Act, and the related rules and regulations, set forth (i) reporting obligations, (ii) limitations on “short-swing” transactions and (iii) limitations on short sales and other transactions applicable to directors, officers, large shareholders and certain other persons.

The Board of Directors of the Company has determined that the persons specified as Section 16 insiders are required to comply with Section 16 of the Exchange Act, and the related rules and regulations, because of their positions with the Company. The Compliance Officer may amend **Schedules I and II** from time to time as appropriate to reflect the election of new officers or directors, any change in the responsibilities of officers or other employees and any promotions, demotions, resignations or departures.

II. Notification requirements to facilitate Section 16 reporting

To facilitate timely reporting of transactions pursuant to Section 16 requirements, each person subject to Section 16 reporting requirements must provide, or must ensure that his or her broker provides, the Company with detailed information (*e.g.*, trade date, number of shares, exact price, *etc.*) regarding his or her transactions involving the Company’s securities, including gifts, transfers, pledges and transactions pursuant to a trading plan, both prior to (to confirm compliance with pre-clearance procedures, if applicable) and promptly following execution.

III. Personal responsibility

The obligation to file Section 16 reports, and to otherwise comply with Section 16, is personal. The Company is not responsible for the failure to comply with Section 16 requirements.

ADDITIONAL INFORMATION

I. Availability of Policy

This Policy will be made available to all directors and employees of and agents to the Company when they commence service with the Company. Each director, employee and consultant is required, if requested, to acknowledge that he or she understands, and agrees to comply with, this Policy.

II. Amendments

We are committed to continuously reviewing and updating our policies and procedures. The Company therefore reserves the right to amend, alter or terminate this Policy at any time and for any reason, subject to applicable law. A current copy of the Company's policies regarding insider trading may be obtained by contacting the Compliance Officer.

* * *

Nothing in this Insider Trading Policy creates or implies an employment contract or term of employment. Employment at the Company is employment at will. Employment at will may be terminated with or without cause and with or without notice at any time by the employee of the Company. Nothing in this Insider Trading Policy shall limit the right to terminate employment at will. No employee of the Company has any authority to enter into any agreement for employment for a specified period of time or to make any agreement or representation contrary to the Company's policy of employment at will. Only the Chief Executive Officer of the Company has the authority to make any such agreement, which must be in writing.

The policies in this Insider Trading Policy do not constitute a complete list of Company policies or a complete list of the types of conduct that can result in discipline, up to and including discharge.

SCHEDULE I

**INDIVIDUALS SUBJECT TO
QUARTERLY BLACKOUT PERIODS**

As may be amended from time to time by the Compliance Officer

1. DIRECTORS:

Those persons then currently serving as a member of the Company's Board of Directors.

2. OFFICERS (other than officers who are also directors) & SENIOR MANAGEMENT:

Those persons whom the Board has designed as Section 16 reporting persons (excluding those who are also directors) and those persons then-serving as a member of the Company's executive staff and senior management reporting directly to the C.E.O.

3. OTHERS

Name

All persons directly reporting to the C.E.O.

All persons directly reporting to the persons above

All persons whose job function is designated as part of the following: Finance, Legal, Stock Administration, and Sales Order Administration

Any other persons the Company specifically identifies as subject to the requirements of the policy

SCHEDULE II

**INDIVIDUALS SUBJECT TO
PRE-CLEARANCE REQUIREMENTS**

1. DIRECTORS

All persons identified on Schedule II as Directors will be required to provide three (3) trading days advance written notice to the Company's Lead Outside Director, Chief Financial Officer and Compliance Officer of any proposed transaction.

2. OFFICERS (other than officers who are also directors)

All persons identified on Schedule II as Officers & Senior Management will be required to provide three (3) trading days advance written notice to the Company's Chief Financial Officer and Compliance Officer of any proposed transaction; provided, however, that (a) in the case of the CFO, such notice shall be to the Company's C.E.O. and Compliance Officer and (b) in the case of the Compliance Officer, such notice shall be to the C.E.O. and the C.F.O.

3. OTHERS

The following persons not addressed above will be required to provide three (3) trading days advance written notice to the Company's Compliance Officer of any proposed transaction.

Name

All persons directly reporting to the C.E.O.

All persons directly reporting to the persons above

All persons whose job function is designated as part of the following: Finance, Legal, Stock Administration, Sales Order Administration, and whom, along with any other persons, the Company specifically identifies as subject to the pre-clearance requirements.

For purposes of pre-clearance obligations provided in this Schedule II, the required number of trading days will be measured and determined based on the number of uninterrupted sequential days of open market trading of the Company's Common Stock, as reported on the New York Stock Exchange (or such other exchange then the primary listing of the Company's Common Stock).