

Stock Repurchase Alternatives for Issuers

The following chart compares and contrasts in summary form the characteristics associated with alternative issuer stock repurchase approaches.

	OPEN MARKET REPURCHASES	PREPAID/ACCELERATED SHARE REPURCHASE	TENDER OFFER
ADVANTAGES	<ul style="list-style-type: none"> Continued stock support “At-market” repurchase Maximum flexibility Lowest cost Can be executed through a Rule 10b5-1 program 	<ul style="list-style-type: none"> Optional upfront share count reduction “At-market” repurchase Potential tax efficiencies Strong signal Economic protection/discount available 	<ul style="list-style-type: none"> Speed of repurchase completion near current valuation Strongest signal Liquidity event for investors Rapid share count reduction
DISADVANTAGES	<ul style="list-style-type: none"> Limited by daily volume Exposed to market price over time Share count reduction over time Weaker signal No guarantee of completion 	<ul style="list-style-type: none"> Exposed to market price over time Fully funded upfront Commits issuer to complete repurchases 	<ul style="list-style-type: none"> Requires premium to current price Investors determine success of tender offer Higher transaction costs No ongoing stock support
MECHANICS	<ul style="list-style-type: none"> Issuer purchases shares in the open market over time Can buy back stock during blackout period through a Rule 10b5-1 plan 	<ul style="list-style-type: none"> Broker sells the block to issuer upfront Broker repurchases stock in the open market over time True up payment and/or additional shares delivered at completion of cover period 	<ul style="list-style-type: none"> Issuer specifies a number of shares to be repurchased within a defined price range or at specific fixed price Shareholders decide whether they would like to participate in the offer Tender offer open for a minimum of 20 days
DOCUMENTATION	<ul style="list-style-type: none"> Short form appointment letter for a repurchase broker No public documentation 	<ul style="list-style-type: none"> Master confirmation No public documentation 	<ul style="list-style-type: none"> Schedule Tender Offer filed with SEC
APPLICATIONS	<ul style="list-style-type: none"> Desire to maintain flexibility including ability to stop 	<ul style="list-style-type: none"> Minimum value of shares issuer desires to purchase 	<ul style="list-style-type: none"> Repurchase large block of stock in a short period of time