

BEXIL CORPORATION
11 Hanover Square
New York, New York 10005
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May 31, 2011

Dear Stockholder:

The Company's 2011 Proxy Statement, which you received previously, inadvertently omitted Exhibit A thereto, the proposed 2011 Stock Incentive Plan in connection with Proposal 3. We apologize for this error and, accordingly, Exhibit A is provided herewith for your reference.

The 2011 Annual Meeting of Stockholders of the Company (the "Meeting") will still be held at The Down Town Association, 60 Pine Street, New York, New York on June 7, 2011 at 11:00 a.m., local time, with respect to consideration of Proposals 1 and 2, as described in the Company's 2011 Proxy Statement. To give stockholders sufficient time to review Exhibit A and Proposal 3, however, it is anticipated that the Meeting will be adjourned to Thursday, July 7, 2011, at 9:00 a.m., local time, and held at the offices of the Company at 11 Hanover Square, New York, New York to consider Proposal 3.

Any stockholder giving a proxy may revoke it at any time before it is exercised by submitting to the Company a written notice of revocation or a subsequently executed proxy or by attending the Meeting and voting in person.

We sincerely regret any confusion or inconvenience this error may have caused.

Thank you for investing in Bexil Corporation.

Sincerely,

John F. Ramírez
Secretary

EXHIBIT A

BEXIL CORPORATION 2011 Stock Incentive Plan

Section 1. Purpose; Definitions.

1.1. Purpose. The purpose of the 2011 Stock Incentive Plan (“Plan”) is to enable the Company to offer to its employees, officers, directors and consultants whose past, current and/or potential contributions to the Company and its Subsidiaries have been, are or will be important to the success of the Company, an opportunity to acquire a proprietary interest in the Company. The various types of long-term incentive awards that may be provided under the Plan will enable the Company to respond to changes in compensation practices, tax laws, accounting regulations and the size and diversity of its businesses.

1.2. Definitions. For purposes of the Plan, the following terms shall be defined as set forth below:

- (a) “Agreement” means the agreement between the Company and the Holder, or such other document as may be determined by the Board, setting forth the terms and conditions of an award under the Plan.
- (b) “Board” means the Board of Directors of the Company.
- (c) “Code” means the Internal Revenue Code of 1986, as amended from time to time, and any successor thereto and the regulations promulgated thereunder.
- (d) “Committee” means the Compensation Committee of the Board or a similar committee performing the functions of the compensation committee and which is comprised of not less than two members of the Board who are “outside directors” within the meaning of Section 162(m) of the Code and, if applicable, “non-employee directors” within the meaning of Rule 16b-3 of the Exchange Act. If no Committee is so designated, then all references in this Plan to “Committee” shall mean the Board.
- (e) “Common Stock” means the Common Stock of the Company, par value \$.01 per share.
- (f) “Company” means Bexil Corporation, a corporation organized under the laws of Maryland.
- (g) “Deferred Stock” means Common Stock to be received under an award made pursuant to Section 8 of the Plan, at the end of a specified deferral period.
- (h) “Disability” means the Holder (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or (ii) is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Company or its Parent or Subsidiaries. Notwithstanding the foregoing, if a Holder is a party to a written agreement embodying the material terms of his or her employment by the Company or a Parent or Subsidiary and “disability” has been defined thereunder, the definition of “disability” contained in such written agreement shall control.
- (i) “Effective Date” means the date set forth in Section 11.1, below.
- (j) “Employee” means any person employed by the Company or any Parent or Subsidiary of the Company within the meaning of code Section 3401(c), including employees who are also officers or directors or both of the Company or any Parent or Subsidiary of the Company. The payment of a director’s fee by the Company shall not be sufficient to constitute “employment” by the Company.

(k) “Fair Market Value”, unless otherwise required by any applicable provision of the Code or any regulations issued thereunder, means, as of any given date: (i) if the Common Stock is listed on a national securities exchange, the last sale price of the Common Stock in the principal trading market for the Common Stock on such date, as reported by the applicable exchange, or if no sale was reported on that date, then on the last preceding date on which such sale took place; (ii) if the Common Stock is not listed on a national securities exchange, but is traded in the over-the-counter market, the last sale price of the Common Stock on such date, as reported by the Pink Sheets LLC, the OTC Bulletin Board or similar publisher of such quotations, or if no sale was reported on that date, then on the last preceding date on which such sale took place; and (iii) if the Fair Market Value of the Common Stock cannot be determined pursuant to clause (i) or (ii) above, such price as the Board shall determine, in good faith. Notwithstanding the foregoing, the Board may use any other definition of Fair Market Value consistent with applicable tax, accounting and other rules.

(l) “Holder” means a person who has received an award under the Plan.

(m) “Incentive Stock Option” means any Stock Option intended to be and designated as an “incentive stock option” within the meaning of Section 422 of the Code.

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

(o) “Normal Retirement” means retirement from active employment with the Company and any Parent or Subsidiary.

(p) “Other Stock-Based Award” means an award under Section 9 of the Plan that is valued in whole or in part by reference to, or is otherwise based upon, Common Stock.

(q) “Parent” means any current or future “parent corporation” of the Company, as such term is defined in Section 424(e) of the Code.

(r) “Performance Goals” means any of the following performance measures, as determined by the Board (or, if the award is intended to qualify as “performance-based compensation” under Section 162(m) of the Code, the Committee): increase in book value per share over time, earnings before interest, taxes, depreciation and amortization, net income (loss) (either before or after interest, taxes, depreciation and/or amortization), growth in the market price of the Common Stock, economic value-added, sales or revenue, acquisitions or strategic transactions, operating income (loss), cash flow (including, but not limited to, operating cash flow and free cash flow), return on capital, assets, equity, or investment, stockholder returns, return on sales, gross or net profit levels, productivity, expense, margins, operating efficiency, customer satisfaction, working capital, earnings (loss) per share of Common Stock, and sales or market shares, any of which may be measured either in absolute terms or as compared to any incremental increase or as compared to results of a peer group.

(s) “Plan” means the Bexil Corporation 2011 Stock Incentive Plan, as hereinafter amended from time to time.

(t) “Repurchase Value” shall mean the Fair Market Value in the event the award to be settled under Section 2.2(h) is comprised of shares of Common Stock and the difference between Fair Market Value and the Exercise Price (if lower than Fair Market Value) in the event the award is a Stock Option or Stock Appreciation Right; in each case, multiplied by the number of shares subject to the award.

(u) “Restricted Stock” means Common Stock received under an award made pursuant to Section 7 of the Plan that is subject to restrictions under said Section 7.

(v) “Retained Distributions” has the meaning ascribed to such term under Section 7.2(b) of the Plan.

(w) “SAR Value” means the excess of the Fair Market Value (on the exercise date) over the exercise price of the Stock Appreciation Right or the related Stock Option, multiplied by the number of shares for which the Stock Appreciation Right is exercised.

(x) “Stock Appreciation Right” means the right to receive from the Company, on the exercise of the Stock Appreciation Right or the surrender of all or part of the related Stock Option, without a cash payment to the Company, a number of shares of Common Stock or cash, in the discretion of the Company, having a Fair Market Value equal to the SAR Value.

(y) “Stock Option” or “Option” means any option to purchase shares of Common Stock which is granted pursuant to the Plan.

(z) “Stock Reload Option” means any option granted under Section 5.3 of the Plan.

(aa) “Subsidiary” means any current or future “subsidiary corporation” of the Company, as such term is defined in Section 424(f) of the Code.

(bb) “Vest” means to become exercisable or to otherwise obtain ownership rights in an award.

Section 2. Administration.

2.1. Board Administration. The Plan shall be administered by the Board. The Board may delegate some or all of its powers under the Plan to a Committee composed of members of the Board and, in the event of such delegation, references in the Plan to the Board shall be deemed to refer to the Committee. Committee members shall serve for such term as the Board may in each case determine, and shall be subject to removal at any time by the Board.

2.2. Powers of Board. The Board shall have full authority to award, pursuant to the terms of the Plan: (i) Stock Options, (ii) Stock Appreciation Rights, (iii) Restricted Stock, (iv) Deferred Stock, (v) Stock Reload Options and/or (vi) Other Stock-Based Awards. For purposes of illustration and not of limitation, the Board shall have the authority (subject to the express provisions of this Plan):

(a) to select the officers, Employees, directors and consultants of the Company or any Parent or Subsidiary to whom Stock Options, Stock Appreciation Rights, Restricted Stock, Deferred Stock, Reload Stock Options and/or Other Stock-Based Awards may from time to time be awarded hereunder.

(b) to determine the terms and conditions, not inconsistent with the terms of the Plan, of any award granted hereunder (including, but not limited to, number of shares, option exercise price or types of consideration paid upon exercise of such options, such as other securities of the Company or other property, any restrictions or limitations, and any vesting, exchange, surrender, cancellation, acceleration, termination, exercise or forfeiture provisions, as the Board shall determine);

(c) to determine any specified performance goals or such other factors or criteria which need to be attained for the vesting of an award granted hereunder;

(d) to determine the terms and conditions under which awards granted hereunder are to operate on a tandem basis and/or in conjunction with or apart from other equity awarded under this Plan and cash and non-cash awards made by the Company or any Parent or Subsidiary outside of this Plan;

(e) to permit a Holder to elect to defer a payment under the Plan under such rules and procedures as the Board may establish, including the crediting of interest on deferred amounts denominated in cash and of dividend equivalents on deferred amounts denominated in Common Stock;

(f) to determine the extent and circumstances under which Common Stock and other amounts payable with respect to an award hereunder shall be deferred that may be either automatic or at the election of the Holder;

(g) to substitute (i) new Stock Options for previously granted Stock Options, which previously granted Stock Options have higher option exercise prices and/or contain other less favorable terms, and (ii) new awards of any other type for previously granted awards of the same type, which previously granted awards are upon less favorable terms; and

(h) to make payments and distributions with respect to awards (*i.e.*, to “settle” awards) through cash payments in an amount equal to the Repurchase Value.

2.3. Interpretation of Plan.

(a) Board Authority. The Board shall have the authority to adopt, alter and repeal such administrative 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 issued under the Plan (and to determine the form and substance of all agreements relating thereto), to otherwise supervise the administration of the Plan or to amend, alter, suspend, discontinue or terminate the Plan, in its discretion, pursuant to Section 10. Subject to Section 10, below, all decisions made by the Board pursuant to the provisions of the Plan shall be made in the Board’s sole discretion and shall be final and binding upon all persons, including the Company, its Parent and Subsidiaries and all Holders.

(b) Incentive Stock Options. Anything in the Plan to the contrary notwithstanding, no term or provision of the Plan relating to Incentive Stock Options (including but not limited to Stock Reload Options or Stock Appreciation Rights granted in conjunction with an Incentive Stock Option) or any Agreement providing for Incentive Stock Options shall be interpreted, amended or altered, nor shall any discretion or authority granted under the Plan be so exercised, so as to disqualify the Plan under Section 422 of the Code or, without the consent of the Holder(s) affected, to disqualify any Incentive Stock Option under such Section 422.

Section 3. **Stock Subject to Plan.**

3.1. Number of Shares. The total number of shares of Common Stock reserved and available for issuance under the Plan shall be (i) 15% of the number of outstanding shares of Bexil Common Stock as of the Effective Date, plus (ii) 15% of the number of shares of Common Stock issued or delivered by the Company during the term of the Plan (other than pursuant to this Plan, or other benefit plans of the Company); provided, however, that the total number of shares of Common Stock with respect to which Incentive Stock Options may be granted shall in no event exceed 15% of the total number of authorized shares of Company Common Stock as of the Effective Date. Shares of Common Stock under the Plan may consist, in whole or in part, of authorized and unissued shares or treasury shares. If any shares of Common Stock that have been granted pursuant to a Stock Option cease to be subject to a Stock Option, or if any shares of Common Stock that are subject to any Stock Appreciation Right, Restricted Stock award, Deferred Stock award, Reload Stock Option or Other Stock-Based Award granted hereunder are forfeited or any such award otherwise terminates without a payment being made to the Holder in the form of Common Stock, such shares shall again be available for distribution in connection with future grants and awards under the Plan. If a Holder surrenders any previously owned shares and/or arranges to have the appropriate number of shares otherwise issuable upon exercise or settlement of any award withheld to cover the exercise price or withholding tax liability associated with the exercise or settlement, then the number of shares available under the Plan shall be increased by the number of such surrendered shares and shares withheld.

3.2. Adjustment Upon Changes in Capitalization, Etc. In the event of any merger, reorganization, consolidation, common stock dividend payable on shares of Common Stock, Common Stock split or reverse split, combination or exchange of shares of Common Stock, or other extraordinary or unusual event which results in a change in the shares of Common Stock of the Company as a whole, the Board shall make such equitable adjustment in the terms of any award (including number of shares subject to the award and the exercise price) and the aggregate number or kind of shares reserved for issuance under the Plan and the maximum number of shares that may be awarded to any participant in a single year. Any such adjustments will be made by the Board in its sole discretion and the Board’s determination will be final, binding and conclusive.

3.3. Limit on Performance-Based Awards. In the discretion of the Board or the Committee (as applicable), if any award under the Plan is intended to qualify as “performance-based compensation” under Section 162(m) of the Code, the maximum number of shares that may be granted under such awards to any one Holder during any one calendar year period shall not exceed an amount equal to 15% of the number of outstanding shares of Bexil Common Stock as of the Effective Date (subject to adjustment as provided in Section 3.2 above).

Section 4. **Eligibility.**

Awards may be made or granted to Employees, officers, directors and consultants who are deemed to have rendered or to be able to render significant services to the Company or its Parent or Subsidiaries and who are deemed to have contributed or to have the potential to contribute to the success of the Company. No Incentive Stock Option shall be granted to any person who is not

an Employee of the Company or a Parent or Subsidiary at the time of grant. Notwithstanding the preceding sentence, an award of an Incentive Stock Option may be made or granted to a person in connection with his or her hiring or retention, or at any time on or after the date such person reaches a written agreement with the Company with respect to such hiring or retention, even though it may be prior to the date the person first performs services for the Company or its Subsidiaries; *provided, however*, that no portion of any such award shall vest prior to the date the person first performs such services.

Section 5. Stock Options.

5.1. Grant and Exercise. Stock Options granted under the Plan may be of two types: (i) Incentive Stock Options and (ii) Non-qualified Stock Options. Any Stock Option granted under the Plan shall contain such terms, not inconsistent with this Plan, or with respect to Incentive Stock Options, not inconsistent with the Plan and the Code, as the Board may from time to time approve. The Board shall have the authority to grant Incentive Stock Options or Non-qualified Stock Options, or both types of Stock Options which may be granted alone or in addition to other awards granted under the Plan. To the extent that any Stock Option intended to qualify as an Incentive Stock Option does not so qualify, it shall constitute a separate Non-qualified Stock Option.

5.2. Terms and Conditions. Stock Options granted under the Plan shall be subject to the following terms and conditions:

(a) Option Term. The term of each Stock Option shall be fixed by the Board; provided, however, that an Incentive Stock Option may be granted only within the ten year period commencing from the Effective Date and may only be exercised within five years of the date of grant.

(b) Exercise Price. The exercise price per share of Common Stock purchasable under a Stock Option shall be determined by the Board at the time of grant and may not be less than 110% of the Fair Market Value on the date of grant.

(c) Exercisability. Stock Options shall be exercisable at such time or times and subject to such terms and conditions as shall be determined by the Board. If the Board provides, in its discretion, that any Stock Option is exercisable only in installments, i.e., that it vests over time, the Board may waive such installment exercise provisions at any time at or after the time of grant in whole or in part, based upon such factors as the Board shall determine.

(d) Method of Exercise. Subject to whatever installment, exercise and waiting period provisions are applicable in a particular case, Stock Options may be exercised in whole or in part at any time during the term of the Option by giving written notice of exercise to the Company specifying the number of shares of Common Stock to be purchased. Such notice shall be accompanied by payment in full of the option exercise price, which shall be in cash or, if provided in the Agreement or otherwise permitted by the Board in its discretion, (1) in cash to the extent of par value of the Common Stock acquired and by delivery of a promissory note in a form satisfactory to the Board, (2) in shares of Common Stock (including Restricted Stock and other contingent awards under this Plan), (3) in cash and a combination of (1) and (2) above, (4) by means of any cashless "broker-assisted" exercise or net exercise procedure approved by the Board, in its sole discretion and permitted by applicable law; or (5) such other means which the Board determines to be consistent with the Plan's purpose and applicable law, including, but not limited to, permitting payment by surrender of a portion of the Stock Option that has a "value" equal to the difference between the exercise price of the Common Stock issuable upon exercise of the Option and the Fair Market Value on the date immediately prior to exercise, multiplied by the number of Shares underlying the portion of the Stock Option being surrendered, all as may be set forth in the Agreement representing such Stock Option. Cash payments shall be made by wire transfer, certified or bank check or personal check, in each case payable to the order of the Company; provided, however, that the Company shall not be required to deliver certificates for shares of Common Stock with respect to which an Option is exercised until the Company has confirmed the receipt of good and available funds in payment of the purchase price thereof (except that, in the case of an exercise arrangement approved by the Board and described in the last sentence of this paragraph, payment may be made as soon as practicable after the exercise). Payments in the form of Common Stock shall be valued at the Fair Market Value of a share of Common Stock on the date immediately prior to the date of exercise. Such payments shall be made by delivery of stock certificates in negotiable form that are effective to transfer good and valid title thereto to the Company, free of any liens or encumbrances. Subject to the terms of the Agreement, the Board may, in its sole discretion, at the request of the Holder, deliver upon the exercise of a Non-qualified Stock Option a combination of shares of Deferred Stock and Common Stock; *provided, however*, that, notwithstanding the provisions of Section 8 of the Plan, such Deferred Stock shall be fully vested and not subject to forfeiture. A Holder shall have none of the rights of a Stockholder with respect to the shares subject to the Option until such shares shall be transferred to the Holder upon the exercise of the Option. The Board may permit a Holder to elect to pay the Exercise Price upon the exercise of a Stock Option by irrevocably authorizing a third party to sell shares of Common Stock (or a sufficient portion of the shares) acquired upon exercise of

the Stock Option and remit to the Company a sufficient portion of the sale proceeds to pay the entire Exercise Price and any tax withholding resulting from such exercise.

(e) Transferability. Except as may be set forth in the next sentence of this Section or in the Agreement, no Stock Option shall be transferable by the Holder other than by will or by the laws of descent and distribution, and all Stock Options shall be exercisable, during the Holder's lifetime, only by the Holder (or, to the extent of legal incapacity or incompetency, the Holder's guardian or legal representative). Notwithstanding the foregoing, a Holder, with the approval of the Board, may transfer a Stock Option (i) (A) by gift, for no consideration, or (B) pursuant to a domestic relations order, in either case, to or for the benefit of the Holder's "Immediate Family" (as defined below), or (ii) to an entity in which the Holder and/or members of Holder's Immediate Family own more than fifty percent of the voting interest, in exchange for an interest in that entity, provided that such transfer is being made for estate, tax and/or personal planning purposes and will not have adverse tax consequences to the Company and subject to such limits as the Board may establish and the execution of such documents as the Board may require. In such event, the transferee shall remain subject to all the terms and conditions applicable to the Stock Option prior to such transfer. The term "Immediate Family" shall mean any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law, including adoptive relationships, any person sharing the Holder's household (other than a tenant or Employee), a trust in which these persons have more than fifty percent beneficial interest, and a foundation in which these persons (or the Holder) control the management of the assets.

(f) Termination by Reason of Death. If a Holder's employment by the Company or a Parent or Subsidiary terminates by reason of death, any Stock Option held by such Holder, unless otherwise determined by the Board at the time of grant and set forth in the Agreement, shall thereupon automatically terminate, except that the portion of such Stock Option that has vested on the date of death may thereafter be exercised by the legal representative of the estate or by the legatee of the Holder under the will of the Holder, for a period of one year (or such other greater or lesser period as the Board may specify in the Agreement) from the date of such death or until the expiration of the stated term of such Stock Option, whichever period is shorter.

(g) Termination by Reason of Disability. If a Holder's employment by the Company or a Parent or Subsidiary terminates by reason of Disability, any Stock Option held by such Holder, unless otherwise determined by the Board at the time of grant and set forth in the Agreement, shall thereupon automatically terminate, except that the portion of such Stock Option that has vested on the date of termination may thereafter be exercised by the Holder for a period of one year (or such other greater or lesser period as the Board may specify in the Agreement) from the date of such termination of employment or until the expiration of the stated term of such Stock Option, whichever period is shorter.

(h) Other Termination. Subject to the provisions of Section 12.3, below, and unless otherwise determined by the Board and set forth in the Agreement, if such Holder's employment or retention by, or association with, the Company or a Parent or Subsidiary terminates for any reason other than death or Disability, the Stock Option shall thereupon automatically terminate, except that if the Holder's employment is terminated by the Company or a Parent or Subsidiary without cause or due to Normal Retirement, then the portion of such Stock Option that has vested on the date of termination of employment may be exercised for the lesser of three months after termination of employment or the balance of such Stock Option's term.

(i) Additional Incentive Stock Option Limitation. In the case of an Incentive Stock Option, the aggregate Fair Market Value (on the date of grant of the Option) with respect to which Incentive Stock Options become exercisable by a Holder during any calendar year (under all such plans of the Company and its Parent and Subsidiaries) shall not exceed \$100,000.

(j) Buyout and Settlement Provisions. The Board may at any time, in its sole discretion, offer to repurchase a Stock Option previously granted, based upon such terms and conditions as the Board shall establish and communicate to the Holder at the time that such offer is made.

5.3. Stock Reload Option. Unless otherwise provided in the applicable Agreement, if a Holder tenders shares of Common Stock to pay the exercise price of a Stock Option ("Underlying Option") and/or arranges to have a portion of the shares otherwise issuable upon exercise withheld to pay the applicable exercise price or withholding taxes, then the Holder shall receive a new Stock Reload Option to purchase that number of shares of Common Stock equal to the number of shares tendered or withheld. Stock Reload Options shall be of the same type as the Underlying Option and will be granted subject to similar terms, conditions, restrictions and limitations as applicable to the Underlying Option. Such Stock Reload Option shall have an exercise price equal to the Fair Market Value as of the date of exercise of the Underlying Option. Unless the Board determines otherwise, a Stock Reload

Option may be exercised commencing one year after it is granted and shall expire on the date of expiration of the Underlying Option to which the Reload Option is related.

Section 6. Stock Appreciation Rights.

6.1. Grant and Exercise. The Board may grant Stock Appreciation Rights as standalone awards or in tandem with Stock Options under the Plan. In the case of a Non-qualified Stock Option, a tandem Stock Appreciation Right may be granted either at or after the time of the grant of such Non-qualified Stock Option. In the case of an Incentive Stock Option, a tandem Stock Appreciation Right may be granted only at the time of the grant of such Incentive Stock Option.

6.2. Terms and Conditions. Stock Appreciation Rights shall be subject to the following terms and conditions:

(a) Exercisability. Stock Appreciation Rights shall be exercisable as shall be determined by the Board and set forth in the Agreement, subject to the limitations, if any, imposed by the Code with respect to any related Incentive Stock Options granted in tandem with the Stock Appreciation Right.

(b) Termination. The term of each Stock Appreciation Right shall be fixed by the Board; provided, however, that a tandem Stock Appreciation Right shall terminate and shall no longer be exercisable upon the termination or exercise of the related Stock Option.

(c) Method of Exercise. Stock Appreciation Rights shall be exercisable upon such terms and conditions as shall be determined by the Board and set forth in the Agreement and, with respect to a tandem Stock Appreciation Right, by surrendering the applicable portion of the related Stock Option. Upon such exercise and surrender, the Holder shall be entitled to receive a number of shares of Common Stock equal to the SAR Value divided by the Fair Market Value on the date the Stock Appreciation Right is exercised or, in the discretion of the Board, a cash payment equal to the SAR value.

(d) Shares Affected Upon Plan. The granting of a Stock Appreciation Right in tandem with a Stock Option shall not affect the number of shares of Common Stock available for awards under the Plan. The number of shares available for awards under the Plan will, however, be reduced by the number of shares of Common Stock issued upon exercise of the Stock Appreciation Right or a tandem Stock Option to which such Stock Appreciation Right relates.

Section 7. Restricted Stock.

7.1. Grant. Shares of Restricted Stock may be awarded either alone or in addition to other awards granted under the Plan. The Board shall determine the eligible persons to whom, and the time or times at which, grants of Restricted Stock will be awarded, the number of shares to be awarded, the price (if any) to be paid by the Holder, the time or times within which such awards may be subject to forfeiture (“Restriction Period”), the vesting schedule and rights to acceleration thereof and all other terms and conditions of the awards. In the discretion of the Board (or, if the award is intended to qualify as “performance-based compensation” under Section 162(m) of the Code, the Committee), vesting of Restricted Stock awards may be subject to Performance Goals or other criteria as established by the Board (or the Committee) and set forth in the applicable Agreement.

7.2. Terms and Conditions. Each Restricted Stock award shall be subject to the following terms and conditions:

(a) Certificates. Restricted Stock, when issued, will be represented by a stock certificate or certificates registered in the name of the Holder to whom such Restricted Stock shall have been awarded. During the Restriction Period, certificates representing the Restricted Stock and any securities constituting Retained Distributions shall bear a legend to the effect that ownership of the Restricted Stock (and such Retained Distributions) and the enjoyment of all rights appurtenant thereto are subject to the restrictions, terms and conditions provided in the Plan and the Agreement. Such certificates shall be deposited by the Holder with the Company, together with stock powers or other instruments of assignment, each endorsed in blank, which will permit transfer to the Company of all or any portion of the Restricted Stock and any securities constituting Retained Distributions that shall be forfeited or that shall not become vested in accordance with the Plan and the Agreement.

(b) Rights of Holder. Restricted Stock shall constitute issued and outstanding shares of Common Stock for all corporate purposes. The Holder will have the right to vote such Restricted Stock, to receive and retain all regular cash dividends

and other cash equivalent distributions as the Board may in its sole discretion designate, pay or distribute on such Restricted Stock and to exercise all other rights, powers and privileges of a holder of Common Stock with respect to such Restricted Stock, with the exceptions that (i) the Holder will not be entitled to delivery of the stock certificate or certificates representing such Restricted Stock until the Restriction Period shall have expired and unless all other vesting requirements with respect thereto shall have been fulfilled; (ii) the Company will retain custody of the stock certificate or certificates representing the Restricted Stock during the Restriction Period; (iii) other than regular cash dividends and other cash equivalent distributions as the Board may in its sole discretion designate, pay or distribute, the Company will retain custody of all distributions (“Retained Distributions”) made or declared with respect to the Restricted Stock (and such Retained Distributions will be subject to the same restrictions, terms and conditions as are applicable to the Restricted Stock) until such time, if ever, as the Restricted Stock with respect to which such Retained Distributions shall have been made, paid or declared shall have become vested and with respect to which the Restriction Period shall have expired; (iv) a breach of any of the restrictions, terms or conditions contained in this Plan or the Agreement or otherwise established by the Board with respect to any Restricted Stock or Retained Distributions will cause a forfeiture of such Restricted Stock and any Retained Distributions with respect thereto.

(c) Vesting; Forfeiture. Upon the expiration of the Restriction Period with respect to each award of Restricted Stock and the satisfaction of any other applicable restrictions, terms and conditions (i) all or part of such Restricted Stock shall become vested in accordance with the terms of the Agreement, and (ii) any Retained Distributions with respect to such Restricted Stock shall become vested to the extent that the Restricted Stock related thereto shall have become vested. Any such Restricted Stock and Retained Distributions that do not vest shall be forfeited to the Company and the Holder shall not thereafter have any rights with respect to such Restricted Stock and Retained Distributions that shall have been so forfeited.

Section 8. Deferred Stock.

8.1. Grant. Shares of Deferred Stock may be awarded either alone or in addition to other awards granted under the Plan. The Board shall determine the eligible persons to whom and the time or times at which grants of Deferred Stock will be awarded, the number of shares of Deferred Stock to be awarded to any person, the duration of the period (“Deferral Period”) during which, and the conditions under which, receipt of the shares will be deferred, and all the other terms and conditions of the awards. In the discretion of the Board (or, if the award is intended to qualify as “performance-based compensation” under Section 162(m) of the Code, the Committee), vesting of Deferred Stock awards may be subject to Performance Goals or other criteria as established by the Board (or the Committee) and set forth in the applicable Agreement.

8.2. Terms and Conditions. Each Deferred Stock award shall be subject to the following terms and conditions:

(a) Certificates. At the expiration of the Deferral Period (or the Additional Deferral Period referred to in Section 8.2(d) below, where applicable), share certificates shall be issued and delivered to the Holder, or his legal representative, representing the number equal to the shares covered by the Deferred Stock award.

(b) Rights of Holder. A person entitled to receive Deferred Stock shall not have any rights of a Stockholder by virtue of such award until the expiration of the applicable Deferral Period and the issuance and delivery of the certificates representing such Common Stock. The shares of Common Stock issuable upon expiration of the Deferral Period shall not be deemed outstanding by the Company until the expiration of such Deferral Period and the issuance and delivery of such Common Stock to the Holder.

(c) Vesting; Forfeiture. Upon the expiration of the Deferral Period with respect to each award of Deferred Stock and the satisfaction of any other applicable restrictions, terms and conditions all or part of such Deferred Stock shall become vested in accordance with the terms of the Agreement. Any such Deferred Stock that does not vest shall be forfeited to the Company and the Holder shall not thereafter have any rights with respect to such Deferred Stock.

(d) Additional Deferral Period. Subject to compliance with the requirements of Section 409A of the Code and the applicable regulations thereunder, a Holder may request to, and the Board may at any time, defer the receipt of an award (or an installment of an award) for an additional specified period or until a specified event (“Additional Deferral Period”).

Section 9. Other Stock-Based Awards.

Other Stock-Based Awards may be awarded, subject to limitations under applicable law, that are denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, shares of Common Stock, as deemed by the Board to be consistent with the purposes of the Plan, including, without limitation, purchase rights, phantom stock units valued by reference to or in comparison with the Common Stock and payable in shares, cash or other consideration, shares of Common Stock awarded which are not subject to any restrictions or conditions, convertible or exchangeable debentures, or other rights convertible into shares of Common Stock and awards valued by reference to the value of securities of or the performance of specified Subsidiaries. Other Stock-Based Awards may be awarded either alone or in addition to or in tandem with any other awards under this Plan or any other plan of the Company. Each Other Stock-Based Award shall be subject to such terms and conditions as may be determined by the Board. In the discretion of the Board (or, if the award is intended to qualify as “performance-based compensation” under Section 162(m) of the Code, the Committee), vesting of Other Stock-Based Awards may be subject to Performance Goals or other criteria as established by the Board (or the Committee) and set forth in the applicable Agreement.

Section 10. Amendment and Termination.

The Board may at any time, and from time to time, amend, alter, suspend or discontinue any of the provisions of the Plan, but no amendment, alteration, suspension or discontinuance shall be made that would impair the rights of a Holder under any Agreement theretofore entered into hereunder, without the Holder’s consent, except as set forth in this Plan.

Section 11. Term of Plan.

11.1. Effective Date. The Plan shall be effective as of April 13, 2011, subject to approval by the Company’s stockholders.

11.2. Termination Date. Unless terminated by the Board, this Plan shall continue to remain effective until such time as no further awards may be granted and all awards granted under the Plan are no longer outstanding. Notwithstanding the foregoing, grants of Incentive Stock Options may be made only during the ten year period following the Effective Date.

Section 12. General Provisions.

12.1. Written Agreements. Each award granted under the Plan shall be confirmed by, and shall be subject to the terms of, the Agreement executed by the Company and the Holder, or such other document as may be determined by the Board. The Board may terminate any award made under the Plan if the Agreement relating thereto is not executed and returned to the Company within 10 days after the Agreement has been delivered to the Holder for his or her execution.

12.2. Unfunded Status of Plan. The Plan is intended to constitute an “unfunded” plan for incentive and deferred compensation. With respect to any payments not yet made to a Holder by the Company, nothing contained herein shall give any such Holder any rights that are greater than those of a general creditor of the Company.

12.3. No Right of Employment. Nothing contained in the Plan or in any award hereunder shall be deemed to confer upon any Holder who is an Employee of the Company or any Subsidiary any right to continued employment with the Company or any Subsidiary, nor shall it interfere in any way with the right of the Company or any Subsidiary to terminate the employment of any Holder who is an Employee at any time.

12.4. Investment Representations; Company Policy. The Board may require each person acquiring shares of Common Stock pursuant to a Stock Option or other award under the Plan to represent to and agree with the Company in writing that the Holder is acquiring the shares for investment without a view to distribution thereof. Each person acquiring shares of Common Stock pursuant to a Stock Option or other award under the Plan shall be required to abide by all policies of the Company in effect at the time of such acquisition and thereafter with respect to the ownership and trading of the Company’s securities.

12.5. Additional Incentive Arrangements. Nothing contained in the Plan shall prevent the Board from adopting such other or additional incentive arrangements as it may deem desirable, including, but not limited to, the granting of Stock Options and the awarding of Common Stock and cash otherwise than under the Plan; and such arrangements may be either generally applicable or applicable only in specific cases.

12.6. Withholding Taxes. Not later than the date as of which an amount must first be included in the gross income of the Holder for Federal income tax purposes with respect to any Stock Option or other award under the Plan, the Holder shall pay to the Company, or make arrangements satisfactory to the Board regarding the payment of, any Federal, state and local taxes of any kind required by law to be withheld or paid with respect to such amount. If permitted by the Board, tax withholding or payment obligations may be settled with Common Stock, including Common Stock that is withheld from the award that gives rise to the withholding requirement. The obligations of the Company under the Plan shall be conditioned upon such payment or arrangements and the Company or the Holder's employer (if not the Company) shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the Holder from the Company or any Parent or Subsidiary.

12.7. Governing Law. The Plan and all awards made and actions taken thereunder shall be governed by and construed in accordance with the laws of the State of New York (without regard to choice of law provisions); *provided, however*, that all matters relating to or involving corporate law shall be governed by the laws of the State of Maryland.

12.8. Other Benefit Plans. Any award granted under the Plan shall not be deemed compensation for purposes of computing benefits under any retirement plan of the Company or a Parent or Subsidiary and shall not affect any benefits under any other benefit plan now or subsequently in effect under which the availability or amount of benefits is related to the level of compensation (unless required by specific reference in any such other plan to awards under this Plan).

12.9. Non-Transferability. Except as otherwise expressly provided in the Plan or the Agreement, no right or benefit under the Plan may be alienated, sold, assigned, hypothecated, pledged, exchanged, transferred, encumbered or charged, and any attempt to alienate, sell, assign, hypothecate, pledge, exchange, transfer, encumber or charge the same shall be void.

12.10. Applicable Laws. The obligations of the Company with respect to all Stock Options and awards under the Plan shall be subject to (i) all applicable laws, rules and regulations and such approvals by any governmental agencies as may be required, including, without limitation, the Securities Act of 1933 (the "Securities Act"), as amended, and (ii) the rules and regulations of any securities exchange on which the Common Stock may be listed.

12.11. Conflicts. If any of the terms or provisions of the Plan or an Agreement conflict with the requirements of Section 422 of the Code, then such terms or provisions shall be deemed inoperative to the extent they so conflict with such requirements. Additionally, if this Plan or any Agreement does not contain any provision required to be included herein under Section 422 of the Code, such provision shall be deemed to be incorporated herein and therein with the same force and effect as if such provision had been set out at length herein and therein. If any of the terms or provisions of any Agreement conflict with any terms or provisions of the Plan, then such terms or provisions shall be deemed inoperative to the extent they so conflict with the requirements of the Plan. Additionally, if any Agreement does not contain any provision required to be included therein under the Plan, such provision shall be deemed to be incorporated therein with the same force and effect as if such provision had been set out at length therein.

12.12. Non-Registered Stock. The shares of Common Stock to be distributed under this Plan have not been, as of the Effective Date, registered under the Securities Act of 1933, as amended, or any applicable state or foreign securities laws and the Company has no obligation to any Holder to register the Common Stock or to assist the Holder in obtaining an exemption from the various registration requirements, or to list the Common Stock on a national securities exchange or any other trading or quotation system.

12.13. Legality of Issuance. Notwithstanding any provision of this Plan or any applicable Agreement to the contrary, the Board shall have the sole discretion to impose such conditions, restrictions and limitations (including suspending exercises of Options and Stock Appreciation Rights and the tolling of any applicable exercise period during such suspension) on the issuance of Common Stock with respect to any award unless and until the Board determines that such issuance complies with (a) any applicable registration requirements under the Securities Act of 1933 or the Board has determined that an exemption therefrom is available, (b) any applicable listing requirement of any stock exchange or listing service on which the Common Stock is listed, and (c) any other applicable provision of state, federal or foreign law, including foreign securities laws where applicable.

12.14. Effect of Transactions on Plan and Awards.

(a) Corporate Transactions. In the event that the Company is a party to a merger, reorganization, consolidation, share exchange, transfer of assets, or other transaction having a similar effect involving the Company, outstanding awards shall be subject to the agreements regarding such transaction. Such agreements may provide, without limitation, for the

continuation of outstanding awards by the Company (if the Company is a surviving corporation), for their assumption by the surviving corporation or its parent or subsidiary, for the substitution by the surviving corporation or its parent or subsidiary of its own awards for such awards, for accelerated vesting and accelerated expiration, or for settlement in cash or cash equivalents.

(b) Options to Purchase Stock of Acquired Companies. After any transaction in which the Company or its Parent or a Subsidiary is a surviving corporation, the Board may grant substituted options under the provisions of the Plan, pursuant to Section 424 of the Code, replacing old options granted under a plan of another party to the transaction whose shares of stock to be issued under the old options may no longer be issued following the Merger. These provisions shall be applied to the old options and any appropriate adjustments to the Options shall be determined by the Board in its sole discretion. Any adjustments under this paragraph may provide for the elimination of any fractional shares that might otherwise become subject to any Options.

12.15. Delivery of Certificates; Uncertificated Shares. To the extent that this Plan provides for or otherwise refers to issuance of certificates to reflect the transfer of shares of Common Stock pursuant to the terms of an award, the transfer of such shares may be effected, in the Company's discretion, on a book entry or such other noncertificated basis, to the extent not prohibited by applicable law or the rules of any stock exchange or listing service on which such shares are listed or otherwise traded.