

【表紙】

【提出書類】 外国会社臨時報告書

【提出先】 関東財務局長

【提出日】 2024年12月20日

【会社名】 テキサス・インスツルメンツ・インコーポレイテッド  
(Texas Instruments Incorporated)

【代表者の役職氏名】 社長兼最高経営責任者  
(President and Chief Executive Officer)  
ハビブ・イラン  
(Haviv Ilan)

【本店の所在の場所】 アメリカ合衆国 75243 テキサス州 ダラス  
TI ブールバード 12500  
(12500 TI Boulevard, Dallas, Texas 75243, U.S.A.)

【代理人の氏名又は名称】 弁護士 中村 慎二

【代理人の住所又は所在地】 東京都千代田区大手町一丁目1番1号 大手町パークビルディング  
アンダーソン・毛利・友常法律事務所外国法共同事業

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【事務連絡者氏名】 弁護士 隈 大希  
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【縦覧に供する場所】 日本テキサス・インスツルメンツ合同会社  
(東京都港区港南1丁目2番70号 品川シーズンテラス)

- (注) 1 本書において、別段の記載がある場合を除き、本文中「当社」または「テキサス・インスツルメンツ」または「TI」とはテキサス・インスツルメンツ・インコーポレイテッドを指すが、文脈によってはテキサス・インスツルメンツ・インコーポレイテッドとその連結子会社(株式の全部または過半数を所有する)を指すこともある。
- 2 別段の記載がある場合を除き、本書に記載の「ドル」はアメリカ合衆国ドルを指す。本書において便宜上記載されている日本円への換算は、1ドル = 150.38円の換算率(2024年12月5日現在の三菱UFJ銀行の対顧客電信直物売買相場の仲値)により計算されている。
- 3 本書中の表で計数が四捨五入されている場合、合計は計数の総和と必ずしも一致しないことがある。
- 4 別段の記載がある場合を除き、本書に記載の日付は、米国東部標準時間である。

- Notes: 1. Unless otherwise noted, the term “Company” or “Texas Instruments” or “TI” refers to Texas Instruments Incorporated, or to Texas Instruments Incorporated and its consolidated subsidiaries (which are wholly-owned or majority-owned), as the context requires.
2. Unless otherwise noted, the term “dollars” or “\$” refers to United States Dollars. Conversion into Japanese Yen has been made at the exchange rate of \$1.00 = ¥150.38 the telegraphic transfer median exchange rate vis-a-vis customers reported by MUFG Bank, Ltd. on December 5, 2024.
3. Where figures in tables have been rounded, the totals may not necessarily agree with the sum of the figures.
4. Unless otherwise noted, dates specified herein are U.S. Eastern Time.

## 1 【提出理由】

本外国会社臨時報告書は、テキサス・インスツルメンツ2024年度長期報奨制度（以下、「本制度」という。）に基づき、当社が日本国外において発行する有価証券の募集が、当社および当社子会社の特定の従業員（以下、「有資格従業員」という。）に対して開始されたため、金融商品取引法第24条の5第4項および企業内容等の開示に関する内閣府令第19条第2項第1号の規定に基づき提出するものである。

## 2 【報告内容】

### A. Non-Qualified Stock Option (the “Options”)

#### (1) Type and Name of Securities (i.e., the Options) to be Issued (i.e., Granted)

The Options are Non-qualified Stock Options for the purpose of Internal Revenue Code of the United States. Non-qualified Stock Options under the Internal Revenue Code means stock options that are not Incentive Stock Options (stock options granted that are intended to meet the requirements of Section 422 of, or any successor provision to the Internal Revenue Code of 1986, as amended from time to time). Tax consequences under the Internal Revenue Code are different between the Incentive Stock Options and Non-qualified Stock Options.

An Option is the right to purchase one share of common stock of Texas Instruments Incorporated, par value of \$1 per share, at the stated exercise price, subject to certain conditions described below.

#### (2) Number of Securities (i.e., the Options) to be Issued (i.e., Granted)

10,778 Options

The number of the Options is the same as the number of shares as set out in Item (5) “Type and Number of Underlying Shares of the Options” below.

#### (3) Offering Price per Securities (i.e., Option)

\$0 (¥0)

#### (4) Aggregate Offering Price

\$0 (¥0 million) (The aggregate offering price of stock acquisition right.)

\$2,080,046 (approximately ¥313 million) (The amount is the sum of the aggregate offering price of stock acquisition right and the “Amount of Payment upon Exercise of the Stock Options”.)

#### (5) Type and Number of Underlying Shares of the Options

Type: Registered shares of common stock of Texas Instruments Incorporated, par value of \$1 per share (“Shares”)

Number: 10,778 Shares

(6) Amount of Payment upon Exercise of the Options (per option)

The exercise price of the Option is \$192.99 which is the closing price of TI stock on the date of grant.

(7) Exercise Period

Options vest (become exercisable) in increments of 25% per year beginning on the first anniversary on the Grant Date of NQ. The term of the Option is 10 years from the Grant Date of NQ, which is December 5, 2024, subject to possible earlier termination as described below (See “(8) Conditions for Exercise of the Options”). “Grant Date of NQ” means the effective date of the grant of the Options.

(8) Conditions for Exercise of the Options

|                                        | Employment Termination<br>due to Death or Permanent Disability<br>or at Least 6 Months after Grant When<br>Retirement Eligible * | Employment<br>Termination<br>for Cause | Other Circumstances of<br>Employment Termination |
|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|--------------------------------------------------|
| <b>Unexercisable portion of option</b> | Continues                                                                                                                        | Stops                                  | Stops                                            |
| <b>Exercisable portion of option</b>   | Remains exercisable<br>to end of term                                                                                            | Terminates                             | Remains exercisable<br>for 30 days               |

\* Retirement eligibility is defined for purposes of equity awards as at least age 55 with 10 or more years of TI service or at least age 65.

Options may be cancelled if, during the two years after employment termination, the grantee competes with TI or solicits TI employees or customers, or if the grantee discloses private or confidential information and proprietary data relating to TI, its customers, and suppliers, including TI trade secrets, or otherwise engages in any activity that is detrimental to TI’s interests. In addition, for options received while the grantee was an officer, the company may reclaim (or “claw back”) profits earned under grants if the officer engages in such conduct. These provisions are intended to strengthen retention and provide a reasonable remedy to TI in case of competition, solicitation of our employees or disclosure of our confidential information.

Options become fully vested (exercisable) if the grantee is involuntarily terminated from employment with TI (other than for cause) within 24 months after a change in control of TI. “Change in control” is defined as provided in the Texas Instruments 2024 Long-Term Incentive Plan and occurs upon (i) acquisition of more than 50% of the voting stock or at least 80% of the assets of TI or (ii) change of a majority of the board of directors in a 12-month period unless a majority of the directors then in office endorsed the appointment or election of the new directors (“Plan definition”). These terms are intended to reduce employee uncertainty and distraction in the period leading up to a change in control, if such an event were to occur.

(9) Amount to be Capitalized on Share Capital of Newly Issued Shares Issuable upon Exercise of the Options, among the Issue Price per Share

Because it cannot be determined if, and to what extent, each Employee who receives an Option will exercise the Option, the exact number of Shares issuable on exercise of the

Options is not certain. The following is the total of “Amount to be Capitalized on Share Capital of Newly Issued Shares Issuable upon Exercise of the Options” which is based on the assumption that all of the Options are exercised by the grantees and that all of the Shares Underlying the Options, as set out in (5) above, to be delivered as a result of such exercise are newly issued Shares.

(number of shares x par value):  $10,778 \times \$1 = \$10,778$  (approximately ¥2 million)

(10) Transfer of the Options

The Options granted under the Plan may not be transferred except by will or the laws of descent and distribution.

(11) Issuing method

The Options are to be granted under the Plan. The Plan was approved by the Board of Directors on January 18, 2024, subject to stockholder approval. The Plan was approved by stockholders at the annual meeting of stockholders of the Company held on April 25, 2024.

According to the Plan, the Committee is authorized to grant the Options to eligible employees with the terms and conditions described in the Plan and with such additional terms and conditions, in either case not inconsistent with the terms of the Plan, as the Committee shall determine.

Any individual who is employed by the Company or any Affiliate and any individual who provides services to the Company or any Affiliate as an independent contractor, including any officer or employee director shall be eligible to receive an Award under the Plan. An individual who has agreed to accept employment by, or to provide services to the Company or an Affiliate shall be deemed eligible for awards as of commencement of employment. Directors who are not full-time or part-time officers or employees are not eligible to receive Awards under the Plan.

(12) Names of underwriters

Not applicable

(13) Places of offering

The United States and other counties, excluding Japan

(14) Total amount of proceeds from the issuance, and details, amounts and expected time of expenditure for each use of proceeds

(a) Total amount of proceeds from the issuance of the Options

\$2,080,046 (approximately ¥313 million)

Because it cannot be determined if, and to what extent, each Employee who receives an Option will exercise the Option, the amount of proceeds from the issuance of the Options

is not certain. We have therefore used the aggregate amount of the Offering Price and the Payment upon Exercise as an estimate.

(b) Details, amounts and expected time of expenditure for each use of proceeds

The proceeds will be used for general corporate purposes. The details, amounts and expected time of expenditure for the use of the proceeds have not been determined.

(15) Date of issuance of the Options

December 5, 2024

(16) Exchange where the Options are or are to be listed

Not applicable

B. Restricted Stock Unit (the “RSU”)

(1) Type and Name of Securities (i.e., RSU) to be Issued (i.e., Granted)

Each RSU represents the right to receive one share of TI common stock on a date of vesting of RSUs (the “Vesting Date”) unless the award is terminated earlier under terms summarized in “(8) Conditions for Exercise of the Options”.

The following is a summary of certain important characteristics of RSUs and the Plan under which they are issued.

The Plan is designed to enhance the ability of the Company to attract and retain exceptionally gifted individuals and to encourage them to acquire a proprietary interest in the growth and performance of the Company.

The date on which stock is to be issued pursuant to an RSU is determined by the Committee. The grantee has no discretion over the date the shares are issued.

According to the Plan, RSUs shall be subject to such restrictions as the Committee may impose (including, without limitation, any limitation on the right to vote or the right to receive any dividend or other right or property), which restrictions may lapse separately or in combination at such time or times, in such installments or otherwise, as the Committee may deem appropriate.

As determined by the Committee, each RSU granted by the Company also includes the right to receive dividend equivalents, which are paid annually in cash at a rate equal to the amount paid to stockholders in dividends. Dividend equivalents are considered additional compensation to the employee.

A grantee will not have any rights as a stockholder of the Company in respect of any shares of common stock of the Company issuable under the RSU unless and until such shares are issued in the name of such grantee and delivered to him/her.

Under the Plan, RSUs are regarded as incentive compensation, that is, the RSUs are granted to employees in return for their services. Under U.S. corporate laws and

regulations, a corporation may issue shares without cash consideration. Accordingly, stock may be issued under the relevant RSUs to the employee without any consideration paid by the employee to receive the shares.

A grantee of RSUs does not make any payment upon distribution of shares, and therefore, “exercise” is deemed to happen upon distribution of shares for the purpose of this report.

In accepting an RSU award, each grantee acknowledge that: (a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, as provided in the Plan; (b) all decisions with respect to future awards, if any, will be at the sole discretion of the Company or its designee; (c) the Award is voluntary and occasional and does not create any contractual or other right to receive future RSUs, or benefits in lieu of the RSUs; (d) each grantee is voluntarily participating in the Plan; (e) RSUs are an extraordinary item that does not constitute compensation for services rendered to the Company; (f) RSUs are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, termination, pension or retirement benefits or similar payments; (g) RSUs will not be interpreted to form an employment contract or relationship with the Company; (h) the future value of the underlying shares is unknown and cannot be predicted with certainty; and (i) if each grantee receives shares, the value of such shares may increase or decrease in value.

(2) Number of Securities (i.e., RSUs) to be Issued (i.e., Granted)

11,150 RSUs

(3) Offering Price per Securities (i.e., RSUs)

\$0 (¥0)

(4) Aggregate Offering Price

\$0 (¥0)

(5) Type and Number of Underlying Shares of the RSUs

Type: Registered shares of common stock of Texas Instruments Incorporated, par value of \$1 per share

Number: 11,150 Shares

(6) Amount of Payment upon Vesting of the RSUs (per RSU)

\$0 (¥0)

(7) Vesting Period

Except in the event of termination of employment, RSUs vest on the Vesting Date, which is February 1, 2029 (See “(1) Type and Name of Securities (i.e., RSU) to be Issued (i.e., Granted)” and “(8) Conditions for Exercise of the Options”).

(8) Conditions for Exercise (i.e., vesting) of the RSUs

| Employment Termination Due to Death or Permanent Disability<br>or at Least 6 Months after Grant When Retirement Eligible | Employment Termination For<br>Cause | Other Circumstances of<br>Employment Termination |
|--------------------------------------------------------------------------------------------------------------------------|-------------------------------------|--------------------------------------------------|
| Vesting continues; shares are paid at the scheduled vesting date                                                         | Grant cancels; no shares are issued | Grant cancels; no shares are issued              |

These termination provisions are intended to promote retention. All RSU awards contain cancellation and clawback provisions like those described above for stock options. The terms provide that, to the extent permitted by Section 409A of the IRC, the award vests upon involuntary termination of TI employment within 24 months after a change in control. Change in control is the Plan definition. These cancellation, clawback and change-in-control terms are intended to conform RSU terms with those of stock options (to the extent permitted by the IRC) and to achieve the objectives described above in the discussion of stock options.

(9) Amount to be Capitalized on Share Capital of Newly Issued Shares Issuable upon Vesting of the RSUs, among the Issue Price per Share

“Amount to be Capitalized on Share Capital per shares” for the purpose of this report is \$0 because RSUs may be granted and stock issued thereunder to the employee without any consideration paid by the employee to receive the shares. However, when RSUs vest and shares are issued, the Company credits the par value out of its stockholders equity, even though no cash is received, as this is required in accordance with U.S. GAAP.

(10) Transfer of the RSUs

The RSUs granted under the Plan may not be transferred except by will or the laws of descent and distribution.

(11) Issuing method

The RSUs are to be granted under the Plan. The Plan was approved by the Board of Directors on January 18, 2024, subject to stockholder approval. The Plan was approved by stockholders at the annual meeting of stockholders of the Company held on April 25, 2024.

According to the Plan, the Committee is authorized to grant the RSUs to Participants with the terms and conditions described in the Plan and with such additional terms and conditions, in either case not inconsistent with the provisions of the Plan, as the Committee shall determine.

Any individual who is employed by the Company or any Affiliate and any individual who provides services to the Company or any Affiliate as an independent contractor, including any officer or employee director shall be eligible to receive an Award under the Plan. An individual who has agreed to accept employment by, or to provide services to the Company or an Affiliate shall be deemed eligible for awards as of commencement of employment. Directors who are not full-time or part-time officers or employees are not eligible to receive Awards under the Plan.

Grantees are required to enter into the Restricted Stock Unit Award Agreement with the Company within 120 days of the Grant Date of RSUs. “Grant Date of RSUs” means the



effective date of the grant of RSUs. Grantees' failure to take action on their award within 120 days of the Grant Date will result in a deemed acceptance of the award under the terms of the Restricted Stock Unit Award Agreement.

(12) Names of underwriters

Not applicable

(13) Places of offering

The United States and other counties, excluding Japan

(14) Total amount of proceeds from the issuance, and details, amounts and expected time of expenditure for each use of proceeds

(a) Total amount of proceeds from the issuance of the RSUs

\$0 (¥0)

(b) Details, amounts and expected time of expenditure for each use of proceeds

Not Applicable

(15) Date of issuance of the RSUs

December 5, 2024

(16) Exchange where the RSUs are or are to be listed

Not applicable

## OTHER MATTERS

a. The amount of issued share capital of the Company (as of September 30, 2024)

\$1,741 million (approximately ¥261,812 million)

b. Total Number of Issued Shares (as of September 30, 2024)

1,741 million

c. The following is an extract of the Plan provisions, except for those already described in the relevant sections of this report.

**TEXAS INSTRUMENTS 2024 LONG-TERM INCENTIVE PLAN (Extract)**  
**Dated April 25, 2024**

**SECTION 1. Purpose**

The Texas Instruments 2024 Long-Term Incentive Plan is intended as a successor plan to the Company's 2009 Long-Term Incentive Plan and the predecessors thereto. This Plan is designed to enhance the ability of the Company to attract and retain exceptionally qualified individuals and to encourage them to acquire a proprietary interest in the growth and performance of the Company.

**SECTION 2. Definitions**

As used in the Plan, the following terms shall have the meanings set forth in this Section 2.

(a) "Affiliate" shall mean (i) any entity that, directly or indirectly, is controlled by the Company and (ii) any entity in which the Company has a significant equity interest, in either case as determined by the Committee.

(b) "Award" shall mean any award of an Option, Restricted Stock, Restricted Stock Unit, Performance Unit or Other Stock-Based Award granted under the Plan.

(c) "Award Agreement" shall mean any written agreement, contract or other instrument or document evidencing an Award granted under the Plan, which may, but need not, be executed or acknowledged by a Participant. An Award Agreement may be in electronic form.

<Omitted>

(e) "Cause" shall have the meaning set forth in the Award Agreement, if any, or if not so defined, shall have the meaning determined by the Company in its sole discretion.

<Omitted>

(h) "Committee" shall mean a committee of the Board designated by the Board to administer the Plan. Unless otherwise determined by the Board, the Compensation Committee designated by the Board shall be the Committee under the Plan.

<Omitted>

(j) "Fair Market Value" shall mean, with respect to any property (including, without limitation, any Shares or other securities), the fair market value of such property determined by such methods or procedures as shall be established from time to time by the Committee.

<Omitted>

(l) "Involuntary Termination" shall mean a separation from service, other than for Cause, due to the independent exercise of unilateral authority of the Company or any Affiliate to terminate the Participant's services, other than due to the Participant's implicit or explicit request, where the Participant was willing and able to continue to perform services, provided that such separation from service satisfies the requirements of Section 409A to the extent necessary.

<Omitted>

(w) "Specified Employee" shall mean an employee who is a "specified employee" (as defined in Section 409A(2)(b)(i) of the Code) for the applicable period, as determined by the Committee in accordance with Treas. Reg. § 1.409A-1(i) or any successor provision.

<Omitted>

(y) “Substitute Awards” shall mean Awards granted in assumption of, or in substitution for, outstanding awards previously granted by a company acquired by the Company or with which the Company combines.

<Omitted>

#### **SECTION 4. *Administration.***

(a) The Plan shall be administered by the Committee.

(b) Subject to the terms of the Plan and applicable law, the Committee shall have full power and authority to: (i) designate Participants; (ii) determine the type or types of Awards (including Substitute Awards) to be granted to each Participant under the Plan; (iii) determine the number of Shares to be covered by (or with respect to which payments, rights, or other matters are to be calculated in connection with) Awards; (iv) determine the terms and conditions of any Award, including any amendments or revisions thereto; (v) determine whether, to what extent, and under what circumstances Awards may be settled or exercised in cash, Shares, other securities, other Awards, or other property, or canceled, forfeited or suspended, and the method or methods by which Awards may be settled, exercised, canceled, forfeited or suspended; (vi) determine, consistent with Section 11(f), whether, to what extent, and under what circumstances cash, Shares, other securities, other Awards, other property, and other amounts payable with respect to an Award under the Plan shall be deferred either automatically or at the election of the holder thereof or of the Committee; (vii) interpret and administer the Plan and any instrument or agreement relating to, or Award made under, the Plan; (viii) establish, amend, suspend or waive such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan, including adopting sub-plans and addenda for Participants outside the United States to achieve favorable tax results or facilitate compliance with applicable laws; (ix) determine whether and to what extent Awards should comply or continue to comply with any requirement of statute or regulation; and (x) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan.

(c) All decisions of the Committee shall be final, conclusive and binding upon all parties, including the Company or any Affiliate, the stockholders and the Participants.

#### **SECTION 5. *Shares Available for Awards.***

(a) Subject to adjustment as provided in this Section 5, the number of Shares available for issuance under the Plan shall be 33,000,000 shares.

(b) If, after the effective date of the Plan, (i) any Shares covered by an Award, or to which such an Award relates, are forfeited or (ii) any Award expires or is cancelled or otherwise terminated, then the number of Shares available for issuance under the Plan shall increase, to the extent of any such forfeiture, expiration, cancellation or termination. For purposes of this Section 5(b) awards and options granted under any previous option or long-term incentive plan of the Company (other than a Substitute Award granted under any such plan) shall be treated as Awards. For the avoidance of doubt, the number of Shares available for issuance under the Plan shall not be increased by: (i) the withholding of Shares as a result of the net settlement of an outstanding Option or SAR; (ii) the delivery of Shares to pay the exercise price or withholding taxes relating to an Award; or (iii) the repurchase of Shares on the open market using the proceeds of an Option's exercise.

(c) Any Shares underlying Substitute Awards shall not be counted against the Shares available for granting Awards.

(d) Any Shares delivered pursuant to an Award may consist, in whole or in part, of authorized and unissued Shares, of treasury Shares or of both.

(e) In the event that any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of Shares or other securities of the Company, issuance of warrants or other rights to purchase Shares or other securities of the Company, or other similar corporate transaction or event affects the Shares such that an adjustment is appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, then the Committee shall equitably adjust any or all of (i) the number and type of Shares (or other securities or property) which thereafter may be made the subject of Awards, including the aggregate limit specified in Section 5(a), (ii) the number and type of Shares (or other securities, cash or property) subject to outstanding Awards, (iii) the grant, purchase, or exercise price with respect to any Award or, if deemed appropriate, make provision for a cash payment to the holder of an outstanding Award, and (iv) the terms and conditions of any outstanding Awards, including the performance criteria of any Awards; provided, however, that the number of Shares subject to any Award denominated in Shares shall always be a whole number. Any such adjustment with respect to a “stock right” outstanding under the Plan, as defined in Section 409A, shall be made in a manner that is intended to avoid the imposition of any additional tax or penalty under Section 409A.

<Omitted>

#### **SECTION 11. *General Provisions Applicable to Awards.***

(a) Awards shall be granted for no cash consideration or for such minimal cash consideration as may be required by applicable law.

<Omitted>

(c) Subject to the terms of the Plan, payments or transfers to be made by the Company upon the grant, exercise or settlement of an Award may be made in such form or forms as the Committee shall determine including, without limitation, cash, Shares, other securities, other Awards, or other property, or any combination thereof, and may be made in a single payment or transfer, in installments, or on a deferred basis, in each case in accordance with Section 11(f) and rules and procedures established by the Committee. Such rules and procedures may include, without limitation, provisions for the payment or crediting of reasonable interest on installment or deferred payments or, with respect only to Awards other than Options and SARs, the grant or crediting of dividend equivalents in respect of installment or deferred payments.

<Omitted>

(e) All certificates for Shares or other securities delivered under the Plan pursuant to any Award or the exercise thereof shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan or the rules, regulations, and other requirements of the Securities and Exchange Commission, any stock exchange upon which such Shares or other securities are then listed, and any applicable federal, state or foreign securities laws, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

<Omitted>

(g) The Committee shall not have the authority to provide in any Award granted hereunder for the automatic award of an Option upon the exercise or settlement of such Award.

<Omitted>

## **SECTION 12. *Cancellation or Clawback of Awards.***

(a) The Committee may specify in an Award Agreement that a Participant's rights, payments and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events may include, but are not limited to, termination with or without Cause, violation of Company policies, breach of non-competition, non-solicitation, confidentiality or other restrictive covenants, or requirements to comply with minimum stock ownership requirements, that may apply to the Participant, or other conduct by the Participant that is detrimental to the business or reputation of the Company and/or its Affiliates.

(b) The Committee shall have full authority to implement any policies and procedures necessary to comply with any reduction, cancellation, forfeiture or recoupment requirement imposed under any applicable laws, rules, regulations or stock exchange listing standards or under any associated Company recoupment policy, including, without limitation, Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Section 10D of the Exchange Act and any rules promulgated thereunder and any other regulatory regimes, including Rule 10D-1 of the Exchange Act and Section 5608 of the Nasdaq Listing Rules. For the avoidance of doubt and notwithstanding anything to the contrary contained herein or otherwise, any Award shall be subject to any such policy or procedure, and the Committee may, to the extent permitted by applicable law and stock exchange rules or by any applicable Company policy or arrangement, and shall, to the extent required, cancel or require reimbursement of any Award or any Shares issued or cash received upon vesting, exercise or settlement of any such Award or sale of Shares underlying such Award.

## **SECTION 13. *Amendment and Termination.***

(a) Unless otherwise expressly provided in an Award Agreement or in the Plan, the Board may amend, alter, suspend, discontinue, or terminate the Plan or any portion thereof at any time; provided, however, that no such amendment, alteration, suspension, discontinuation or termination shall be made without (i) stockholder approval if such approval is necessary to comply with the listing requirements of The NASDAQ Stock Market or (ii) the consent of the affected Participants, if such action would materially adversely affect the rights of such Participants under any outstanding Award. Notwithstanding anything to the contrary herein, the Committee may amend the Plan in such manner as may be necessary to enable the Plan to achieve its stated purposes in any jurisdiction outside the United States in a tax-efficient manner and in compliance with local rules and regulations.

<Omitted>

(c) The Committee shall be authorized to make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of changes in applicable laws, regulations or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan. Any such action taken with respect to an Award intended to be a stock right exempt under Section 409A shall be consistent with the requirements for exemption under Section 409A, and any such action taken with respect to an Award that constitutes deferred compensation under Section 409A shall be in compliance with the requirements of Section 409A.

However, the Company makes no representation or covenants that Awards will comply with Section 409A.

(d) The Committee may correct any defect, supply any omission, or reconcile any inconsistency in the Plan or any Award in the manner and to the extent it shall deem desirable to carry the Plan into effect.

#### **SECTION 14. *Miscellaneous.***

<Omitted>

(b) The Committee may delegate to another committee of the Board, one or more officers or managers of the Company, or a committee of such officers or managers, the authority, subject to such terms and limitations as the Committee shall determine, to grant Awards to, or to cancel, modify, waive rights with respect to, alter, discontinue, suspend or terminate Awards held by, employees who are not officers or directors of the Company for purposes of Section 16 of the Securities Exchange Act of 1934, as amended; provided, however, that any such delegation to management shall conform with the requirements of the General Corporation Law of Delaware, as in effect from time to time.

<Omitted>

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

(g) Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and a Participant or any other person. To the extent that any person acquires a right to receive payments from the Company pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company.

(h) No fractional Shares shall be issued or delivered pursuant to the Plan or any Award, and the Committee shall determine whether cash, other securities or other property shall be paid or transferred in lieu of any fractional Shares, or whether such fractional Shares or any rights thereto shall be canceled, terminated or otherwise eliminated.

#### **SECTION 15. *Effective Date of the Plan.***

The Plan shall be effective as of the date of its approval by the stockholders of the Company.

#### **SECTION 16. *Term of the Plan.***

No Award shall be granted under the Plan after April 25, 2034. However, unless otherwise expressly provided in the Plan or in an applicable Award Agreement, any Award theretofore granted may extend beyond such date, and the authority of the Committee and the Board under Section 13 to amend, alter, adjust, suspend, discontinue, or terminate any such Award, or to waive any conditions or rights under any such Award, and to amend the Plan, shall extend beyond such date.

## **SECTION 17. *Governing Law.***

The Plan shall be construed in accordance with and governed by the laws of the State of Texas without giving effect to the principles of conflict of laws thereof.