
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): **April 28, 2025**

TopBuild Corp.

(Exact name of registrant as specified in its charter)

Delaware
(State or other Jurisdiction of
Incorporation)

001-36870
(Commission
File Number)

47-3096382
(IRS Employer
Identification No.)

475 North Williamson Boulevard
Daytona Beach, Florida
(Address of Principal Executive Offices)

32114
(Zip Code)

Registrant's telephone number, including area code: (386) 304-2200

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.01 per share	BLD	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

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

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

As disclosed under Item 5.07 of this Current Report on Form 8-K, at the 2025 Annual Meeting of Shareholders (the “Annual Meeting”) of TopBuild Corp., a Delaware corporation (the “Company”), held on April 28, 2025, the Company’s shareholders approved the TopBuild Corp. Amended and Restated 2015 Long Term Stock Incentive Plan (the “2025 Plan”), as presented. The 2025 Plan is described in greater detail in the Company’s Definitive Proxy Statement on Schedule 14A (the “Proxy Statement”), filed with the Securities and Exchange Commission on March 14, 2025, under the caption “Proposal 4: To approve the TopBuild Corp. Amended and Restated 2015 Long Term Stock Incentive Plan”, which description is incorporated by reference in this Item 5.02. The description of the 2025 Plan is qualified in its entirety by reference to the complete text of the 2025 Plan, which is filed as Exhibit 10.15 to this Current Report on Form 8-K and which was also contained in Appendix B to the Proxy Statement.

Item 5.07 Submission of Matters to a Vote of Security Holders.

The Company held the Annual Meeting on April 28, 2025. The final voting results for each of the proposals submitted to a vote of the Company’s shareholders at the Annual Meeting are as follows:

Proposal 1: Election of directors to serve until the Company’s 2026 Annual Meeting of Shareholders.

	Votes “For”	Votes “Against”	Abstentions	Broker Non-Votes
Alec C. Covington	25,644,552	875,330	21,355	1,047,990
Ernesto Bautista, III	25,644,525	868,332	28,380	1,047,990
Robert M. Buck	25,918,269	601,586	21,382	1,047,990
Joseph S. Cantie	25,645,385	874,138	21,714	1,047,990
Tina M. Donikowski	25,646,690	867,056	27,491	1,047,990
Deirdre C. Drake	25,645,174	867,499	28,564	1,047,990
Mark A. Petrarca	25,651,815	868,057	21,365	1,047,990
Nancy M. Taylor	25,211,536	1,010,481	319,220	1,047,990

Proposal 2: Ratification of the appointment of PricewaterhouseCoopers LLP to serve as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2025.

Votes “For”	Votes “Against”	Abstentions	Broker Non-Votes
26,983,634	586,962	18,631	0

Proposal 3: Approval, on an advisory basis, of the compensation of the Company’s named executive officers.

Votes “For”	Votes “Against”	Abstentions	Broker Non-Votes
25,341,127	1,141,619	58,491	1,047,990

Proposal 4: Approval of the TopBuild Corp. Amended and Restated 2015 Long Term Stock Incentive Plan.

Votes “For”	Votes “Against”	Abstentions	Broker Non-Votes
25,970,208	545,138	25,891	1,047,990

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description
10.15	TopBuild Corp. Amended and Restated 2015 Long Term Stock Incentive Plan, as amended April 28, 2025
104	Cover Page Interactive Data File (formatted as Inline XBRL)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TOPBUILD CORP.

By: /s/ Madeline Otero

Name: Madeline Otero

Title: Vice President and Chief Accounting Officer
(Principal Accounting Officer)

Dated: April 29, 2025

TOPBUILD CORP.

2015 LONG TERM STOCK INCENTIVE PLAN

Amended and Restated Effective April 28, 2025

SECTION 1. Purposes.

The purposes of the 2015 Long Term Stock Incentive Plan as amended and restated (the "Plan") are to encourage selected employees and non-employee directors of and consultants to TopBuild Corp. (the "Company") and its Affiliates to acquire a proprietary interest in the Company in order to create an increased incentive to contribute to the Company's future success and prosperity, and enhance the ability of the Company and its Affiliates to attract and retain exceptionally qualified individuals upon whom the sustained progress, growth and profitability of the Company depend, thus enhancing the value of the Company for the benefit of its stockholders.

SECTION 2. Definitions.

As used in the Plan, the following terms shall have the meanings set forth below:

- (a) "*Affiliate*" shall mean any entity in which the Company's direct or indirect equity interest is at least twenty percent, and any other entity in which the Company has a significant direct or indirect equity interest, whether more or less than twenty percent, as determined by the Committee.
- (b) "*Amendment Effective Date*" shall mean the date on which this Plan as amended and restated is approved by the Company's stockholders.
- (c) "*Award*" shall mean any Option, Stock Appreciation Right, Restricted Stock, Restricted Stock Unit, Performance Award, or Dividend Equivalent granted under the Plan.
- (d) "*Award Agreement*" shall mean any agreement, contract or other instrument or document (including in an electronic medium) evidencing any Award granted under the Plan which may, but need not, be executed by the Participant.
- (e) "*Board*" shall mean the Board of Directors of the Company.
- (f) "*Change in Control*" except as may be otherwise prescribed by the Committee in an Award Agreement, shall mean at any time during a period of twenty-four consecutive calendar months, the individuals who at the beginning of such period constitute the Company's Board, and any new directors (other than Excluded Directors, as hereinafter defined), whose election by such Board or nomination for election by stockholders was approved by a vote of at least two-thirds of the members of such Board who were either directors on such Board at the beginning of the period or whose election or nomination for election as directors was previously so approved, for any reason cease to constitute at least a majority of the members thereof. For purposes hereof, "Excluded Directors" are directors whose (i) election by the Board or approval by the Board for stockholder election occurred within one year after any "person" or "group of persons," as such terms are used in Sections 13(d) and 14(d) of the Exchange Act, commences a tender offer for, or becomes the beneficial owner of, voting securities representing 25 percent or more of the combined voting power of all outstanding voting securities of the Company, other than pursuant to a tender offer approved by the Board prior to its commencement or pursuant to stock acquisitions approved by the Board prior to their representing 25 percent or more of such combined voting power or

- (ii) initial assumption of office occurs as a result of either an actual or threatened election contest or other actual or threatened solicitation of proxies or consents by or on behalf of an individual, corporation, partnership, group, associate or other entity or "person" other than the Board.
- (g) "*Code*" shall mean the Internal Revenue Code of 1986, as amended from time to time.
- (h) "*Committee*" shall mean the Compensation Committee of the Board or any other committee of the Company's directors designated by the Board to administer the Plan and composed of not less than two directors, each of whom is a "non-employee director," and an "independent director" within the meaning of and to the extent required respectively by Rule 16b-3, the applicable rules of the NYSE and any regulations issued thereunder.
- (i) "*Dividend Equivalent*" shall mean any right granted under Section 6(f) of the Plan.
- (j) "*Eligible Director*" shall have the meaning ascribed to it in the Non-Employee Director's Equity Program.
- (k) "*Exchange Act*" shall mean the Securities Exchange Act of 1934, as amended.
- (l) "*Fair Market Value*" of a Share, unless otherwise determined by the Committee, means the closing price of a Share as reported by the consolidated tape of the NYSE on the date in question.
- (m) "*Incentive Stock Option*" shall mean an Option granted under Section 6(a) of the Plan that is intended to meet the requirements of Section 422 of the Code, or any successor provision thereto.
- (n) "*Non-Employee Directors Equity Program*" shall mean the TopBuild Corp Non-Employee Directors Equity Program Under the 2015 Long Term Stock Incentive Plan as amended from time to time, which is appended to the Plan and made part hereof.
- (o) "*Non-Qualified Stock Option*" shall mean an Option granted under Section 6(a) of the Plan that is not intended to be an Incentive Stock Option.
- (p) "*NYSE*" shall mean the New York Stock Exchange.
- (q) "*Option*" shall mean an Incentive Stock Option or a Non-Qualified Stock Option.
- (r) "*Participant*" shall mean an employee of or consultant to the Company or any Affiliate or an Eligible Director (as defined in the Non-Employee Directors Equity Plan) designated to be granted an Award under the Plan or, for the purpose of granting Substitute Awards, a holder of options or other equity based awards relating to the shares of a company acquired by the Company or with which the Company combines (and provided that such Participant satisfies the Form S-8 definition of an "employee").

- (s) "*Performance Award*" shall mean any right granted under Section 6(e) of the Plan.
- (t) "*Restricted Period*" shall mean the period of time during which Awards of Restricted Stock or Restricted Stock Units are subject to restrictions.
- (u) "*Restricted Stock*" shall mean any Share granted under Section 6(d) of the Plan.
- (v) "*Restricted Stock Unit*" shall mean any right granted under Section 6(d) of the Plan that is denominated in Shares.
- (w) "*Rule 16b-3*" shall mean Rule 16b-3 promulgated by the Securities and Exchange Commission under the Exchange Act, or any successor rule or regulation.
- (x) "*Section 16*" shall mean Section 16 of the Exchange Act, the rules and regulations promulgated by the Securities and Exchange Commission thereunder, or any successor provision, rule or regulation.
- (y) "*Shares*" shall mean the Company's common stock, par value \$0.01 per share, and such other securities or property as may become the subject of Awards, or become subject to Awards, pursuant to an adjustment made under Section 4(d) of the Plan.
- (z) "*Stock Appreciation Right*" or "*SAR*" shall mean any right granted under Section 6(c) of the Plan.
- (aa) "*Substitute Awards*" shall mean Awards granted in assumption of, or in substitution for, outstanding awards previously granted by a company acquired by the Company.

SECTION 3. Administration.

The Committee shall administer the Plan, and subject to the terms of the Plan and applicable law, the Committee's authority shall include without limitation the power to:

- (a) designate Participants;
- (b) determine the types of Awards to be granted;
- (c) determine the number of Shares to be covered by Awards and any payments, rights or other matters to be calculated in connection therewith;
- (d) determine the terms and conditions of Awards and amend the terms and conditions of outstanding Awards;
- (e) determine how, 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;
- (f) determine how, 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 shall be deferred either automatically or at the election of the holder thereof or of the Committee;

- (g) determine the methods or procedures for establishing the fair market value of any property (including, without limitation, any Shares or other securities) transferred, exchanged, given or received with respect to the Plan or any Award;
- (h) prescribe and amend the forms of Award Agreements and other instruments required under or advisable with respect to the Plan;
- (i) designate Options granted to employees of the Company or its subsidiaries as Incentive Stock Options;
- (j) interpret and administer the Plan, Award Agreements, Awards and any contract, document, instrument or agreement relating thereto;
- (k) establish, amend, suspend or waive such rules and regulations and appoint such agents as it shall deem appropriate for the administration of the Plan;
- (l) decide all questions and settle all controversies and disputes which may arise in connection with the Plan, Award Agreements and Awards;
- (m) delegate to a committee of one or more directors of the Company, subject to such terms and limitations as the Committee shall determine, the authority to designate Participants and grant Awards, and to amend Awards granted to Participants, except with respect to Participants who are officers or directors of the Company for purposes of Section 16 of the Exchange Act;
- (n) delegate to one or more officers or managers of the Company, or a committee of such officers and managers, the authority, subject to such terms and limitations as the Committee shall determine, to cancel, modify, waive rights with respect to, alter, discontinue, suspend or terminate Awards held by employees, except employees who are officers or directors of the Company for purposes of Section 16 of the Exchange Act; provided, however, that any delegation to management shall conform with the requirements of the NYSE applicable to the Company and Delaware corporate law; and
- (o) make any other determination and take any other action that the Committee deems necessary or desirable for the interpretation, application and administration of the Plan, Award Agreements and Awards.

All designations, determinations, interpretations and other decisions under or with respect to the Plan, Award Agreements or any Award shall be within the sole discretion of the Committee, may be made at any time and shall be final, conclusive and binding upon all persons, including the Company, Affiliates, Participants, beneficiaries of Awards and stockholders of the Company.

SECTION 4. Shares Available for Awards.

(a) *Shares Available.* Subject to adjustment as provided in Section 4(d), the maximum number of Shares available for issuance in respect of Awards made under the Plan from and after the Amendment Effective Date shall be equal to the balance of the 4,000,000 Shares originally approved remaining available for issuance as of the Amendment Effective Date, *provided, however*, that if for any reason any Award under the Plan other than a Substitute Award is forfeited, canceled, expired, or settled in cash, the number of Shares available for issuance in respect of Awards under the Plan shall be increased by the number of Shares so forfeited, canceled, expired or settled in cash.

Notwithstanding anything to the contrary contained herein, the following shall not increase the number of Shares available for issuance in respect of Awards under the Plan: (i) Shares delivered or otherwise used in payment of an Option, (ii) Shares that are repurchased by the Company with Option proceeds, and (iii) Shares withheld or otherwise used to satisfy withholding taxes on any Award. In addition, Shares covered by an SAR, to the extent that it is exercised and settled in Shares, and regardless of whether or not Shares are actually issued to the Participant upon exercise of the SAR, shall be considered issued or transferred pursuant to the Plan. Subject to the foregoing, Shares may be made available from the authorized but unissued Shares of the Company or from Shares reacquired by the Company. Further, if a Participant has elected to give up the right to receive compensation in exchange for Shares based on fair market value, such Shares will not count against the number of Shares available for issuance in respect of Awards under the Plan.

Additionally, in the event that an entity acquired by (or combined with) the Company or any subsidiary has shares available under a pre-existing plan approved by stockholders and not adopted in contemplation of such acquisition or combination, the shares available for grant pursuant to the terms of such pre-existing plan (as adjusted, to the extent appropriate, using the exchange ratio or other adjustment or valuation ratio or formula used in such acquisition or combination to determine the consideration payable to the holders of common stock of the entities party to such acquisition or combination) may be used for Awards under the Plan and shall not reduce the Shares authorized for grant under the Plan; provided that Awards using such available shares shall not be made after the date awards or grants could have been made under the terms of the pre-existing plan, absent the acquisition or combination, and shall only be made to individuals who were not employees or directors of the Company or any subsidiary prior to such acquisition or combination.

(b) *Individual Stock-Based Awards.* Subject to adjustment as provided in Section 4(d), no Participant may receive Options or Stock Appreciation Rights under the Plan in any calendar year that relate to more than 1,000,000 Shares in the aggregate; *provided, however*, that such number may be increased with respect to any Participant by any Shares available for grant to such Participant in accordance with this Section 4(b) in any prior years that were not granted in such prior year. No provision of this Section 4(b) shall be construed as limiting the amount of any other stock-based or cash-based award which may be granted to any Participant.

(c) *Eligible Director Compensation Limit.* In any fiscal year of the Company, no Participant who is an Eligible Director may be granted compensation for such service having

an aggregate maximum value (measured at the applicable grant date and calculating the value of any awards based on the Fair Market Value) in excess of \$750,000.

(d) *Adjustments.* Upon the occurrence of any dividend or other distribution (whether in the form of cash, Shares, other securities or other property), change in the capital or shares of capital stock, 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 extraordinary transaction or event which affects the Shares (or any other corporate event or transaction having an effect similar to any of the foregoing), then the Committee shall make such adjustment, if any, in such manner as it deems appropriate to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, in (i) the number and type of Shares (or other securities or property) which thereafter may be made the subject of Awards both to any individual and to all Participants, (ii) outstanding Awards including without limitation the number and type of Shares (or other securities or property) subject thereto, and (iii) the grant, purchase or exercise price with respect to outstanding Awards and, if deemed appropriate, make provision for cash payments to the holders of outstanding Awards; *provided, however,* that the number of Shares subject to any Award denominated in Shares shall always be a whole number with fractional shares rounded up to the nearest whole Share. In addition, for each Option or SAR with a purchase or grant price, respectively, greater than the consideration offered in connection with any such transaction or event, the Committee may in its discretion elect to cancel such Option or SAR without any payment to the person holding such Option or SAR. Any such adjustment to the Award limits under the Plan will be made only if and to the extent that such adjustment would not cause any Option intended to qualify as an Incentive Stock Option to fail to so qualify.

(e) *Substitute Awards.* Shares underlying Substitute Awards shall not reduce the number of shares remaining available for issuance under the Plan for any purpose.

SECTION 5. Eligibility.

Any employee of or consultant to the Company or any Affiliate, or any director of the Company, is eligible to be designated a Participant (provided that such Participant satisfies the Form S-8 definition of an "employee").

SECTION 6. Awards.

(a) Options.

(i) *Grant.* The Committee is authorized to grant Options to Participants with such terms and conditions, not inconsistent with the provisions of the Plan, as the Committee shall determine, as specified in the applicable Award Agreement. The Award Agreement shall specify:

(A) the purchase price per Share under each Option, *provided, however,* that such price shall be not less than 100% of the fair market value of the Shares underlying such Option on the date of grant (except in the case of Substitute Awards);

(B) the term of each Option (not to exceed ten years);

(C) the time or times at which an Option may be exercised, in whole or in part, the method or methods by which and the form or forms (including, without limitation, cash, Shares, other Awards or other property, or any combination thereof, having a fair market value on the exercise date equal to the relevant exercise price) in which payment of the exercise price with respect thereto may be made or deemed to have been made;

(D) vesting requirements including, for time-based Awards in excess of 5% of the number of Shares available for Awards pursuant to Section 4, a vesting period of no less than one year, except with respect to Substitute Awards or in limited cases of an intervening event related to death, disability, retirement, or a Change in Control; and

(E) all other terms and conditions applicable to the Option as shall be determined by the Committee in its discretion, including provisions applicable in the event the Participant terminates employment.

A Participant shall have the rights of a stockholder only as and when Shares have been actually issued to the Participant pursuant to the Plan.

(ii) *ISOs.* The terms of any Incentive Stock Option granted under the Plan shall comply in all respects with the provisions of Section 422 of the Code, or any successor provision thereto, and any regulations promulgated thereunder. The maximum number of Shares that may be awarded from and after the Amendment Effective Date shall not exceed the aggregate number of Shares set forth in Section 4(a) as adjusted pursuant to Section 4(d). Each Award Agreement shall specify whether (or the extent to which) the Option is an Incentive Stock Option or a Non-Qualified Stock Option. Notwithstanding any such designation, to the extent that the aggregate Fair Market Value of the Shares with respect to which Options designated as Incentive Stock Options are exercisable for the first time by any Participant during any calendar year (under all plans of the Company) exceeds \$100,000, such Options shall be treated as Non-Qualified Stock Options. Options failing to qualify as Incentive Stock Options for any reason will be treated as Non-Qualified Stock Options, rather than forfeited.

(b) *Restoration Options.* The Committee may not grant restoration options.

(c) *Stock Appreciation Rights.* The Committee is authorized to grant Stock Appreciation Rights to Participants. Subject to the terms of the Plan, a Stock Appreciation Right granted under the Plan shall confer on the holder thereof a right to receive, upon exercise thereof, the excess of (i) the fair market value of one Share on the date of exercise or, if the Committee shall so determine in the case of any such right other than one related to any Incentive Stock Option, at any time during a specified period before or after the date of exercise over (ii) the fair market value on the date of grant.

Subject to the terms of the Plan, the Committee shall determine the grant price, which shall not be less than 100% of the fair market value of the Shares underlying the Stock Appreciation Right on the date of grant (except in the case of Substitute Awards), and term (not to exceed ten years). The Committee shall also determine, in its discretion, methods of exercise and settlement and any other terms and conditions of any Stock Appreciation Right and may impose such conditions or restrictions on the exercise of any

Stock Appreciation Right as it may deem appropriate, which terms and conditions shall be described in the applicable Award Agreement. The Award Agreement shall set forth applicable vesting requirements including, for time-based Awards in excess of 5% of the number of Shares available for Awards pursuant to Section 4, a vesting period of no less than one year, except with respect to Substitute Awards or in limited cases of an intervening event related to death, disability, retirement, or a Change in Control.

(d) *Restricted Stock and Restricted Stock Units.*

(i) *Issuance.* The Committee is authorized to grant to Participants Awards of Restricted Stock, which shall consist of Shares, and Restricted Stock Units which shall give the Participant the right to receive cash, Shares, other securities, other Awards or other property, in each case subject to the termination of the Restricted Period determined by the Committee. Notwithstanding the following terms, the Committee may impose other terms that may be more or less favorable to the Company as it deems fit. In the absence of any such differing provisions, Awards of Restricted Stock and Restricted Stock Units shall have the provisions described below.

(ii) *Restrictions.* The Restricted Period may differ among Participants and may have different expiration dates with respect to portions of Shares covered by the same Award. Subject to the terms of the Plan, Awards of Restricted Stock and Restricted Stock Units shall have such restrictions as the Committee may impose (including, without limitation, limitations on the right to vote Restricted Stock 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 installments or otherwise (including the achievement of performance measures as set forth in Section 6(e) hereof), as the Committee may deem appropriate. The applicable Award Agreement shall set forth all such restrictions, as well as such other terms and conditions applicable to the Award as shall be determined by the Committee in its discretion, including provisions related to vesting and the provisions applicable in the event the Participant terminates employment. The Award Agreement shall set forth applicable vesting requirements including, for time-based Awards in excess of 5% of the number of Shares available for Awards pursuant to Section 4, a vesting period of no less than one year, except with respect to (A) Substitute awards for grants made under a plan of an acquired business entity, (B) Awards granted under the Non-Employee Directors Equity Program, or (C) in limited cases of an intervening event related to death, disability, retirement, or a Change in Control. Subject to the aforementioned restrictions and the provisions of the Plan, including the provisions of Section 4(d) hereof, a Participant shall have all of the rights of a stockholder with respect to Restricted Stock.

(iii) *Registration.* Restricted Stock granted under the Plan may be evidenced in such manner as the Committee may deem appropriate, including, without limitation, book-entry registration or issuance of stock certificates.

(e) *Performance Awards.*

(i) The Committee is hereby authorized to grant Performance Awards to Participants.

(ii) Subject to the terms of the Plan, a Performance Award granted under the Plan (A) may be denominated or payable in cash, Shares (including, without limitation, Restricted Stock or Restricted Stock Units), other securities or other Awards, and (B) shall confer on the holder thereof rights valued as determined by the Committee and payable to, or exercisable by, the holder of the Performance Award, in whole or in part, upon the achievement of such performance goals during such performance periods as the Committee shall establish. Subject to the terms of the Plan, the performance goals to be achieved during any performance period, the length of any performance period, the amount of any Performance Award granted and the amount of any payment or transfer to be made pursuant to any Performance Award shall be determined by the Committee. Unless the Committee determines otherwise, the performance period relating to any Performance Award shall be at least one Company fiscal year (except in circumstances in connection with a Change in Control, in which event the performance period may be shorter than one year).

(iii) Performance Awards may include a pre-established formula or terms and conditions, such that payment, retention or vesting of the Award is subject to the achievement during a performance period or periods, as determined by the Committee, of a level or levels, as determined by the Committee, of one or more performance measures with respect to the Company or any of its Affiliates or a Participant. The following is a non-exhaustive list of potential performance measures that could be used by the Company for Performance Awards:

Cash flow (before or after dividends)	Return on net assets
Earnings per share	Return on net tangible assets
EBIT	Return on sales
EBITDA	Revenue growth
Gross margin	Revenues
Gross profit	Safety measures
Net income	SG&A as a percent of sales
Operating margin	Total cost productivity
Operating profit	Total shareholder return
Quality measures	Working capital
Return on assets	Working capital as a percent of sales
Return on equity	Working capital efficiency
Return on invested capital	

(iv) The Applicable performance measures shall be described or referred to in the Award Agreement. The following are examples of items that may be excluded in determining whether any performance criterion has been attained: impact of charges for restructurings, the effects of acquisitions and divestitures and related expenses, losses resulting from discontinued operations, extraordinary losses (in accordance with generally accepted accounting principles, as currently in effect), the cumulative effect of changes in accounting principles and other unusual, non-recurring items of loss that are separately identified and quantified in the Company's audited financial statements. Performance measures may vary from

Performance Award to Performance Award and from Participant to Participant and may be established on a stand-alone basis, in tandem or in the alternative; in addition, performance measures may be applied on a corporate-wide or division/business segment basis, and may be applied to the performance of the Company and/or one or more Affiliates relative to a market index, a group of other companies or a combination thereof, all as determined by the Committee.

(f) *Dividend Equivalents.* The Committee is authorized to grant to Participants Awards under which the holders thereof shall be entitled to receive payments equivalent to dividends or interest with respect to a number of Shares determined by the Committee, and the Committee may provide that such amounts (if any) shall be deemed to have been reinvested in additional Shares or otherwise reinvested. Subject to the terms of the Plan, such Awards may have such terms and conditions as the Committee shall determine, as set forth in the Award Agreement, but the entitlement to receive payments equivalent to dividends or interest shall not be awarded on Options or Stock Appreciation Rights, or on unearned Performance Awards. Further, dividends or dividend equivalents provided on Awards (other than Options or SARs) shall be deferred until, and paid contingent upon, the vesting or earning of such underlying Awards.

(g) *Termination of Employment.* Except as otherwise provided in the Plan, the applicable Award Agreement, under an Executive Severance Plan (or similar plan, agreement, or arrangement) approved by the Committee, or as determined by the Committee:

(i) Awards granted to, or otherwise held by, employees will terminate, expire and be forfeited upon termination of employment, which shall include a change in status from employee to consultant and termination by reason of the fact that an entity is no longer an Affiliate, and

(ii) a Participant's employment shall not be considered to be terminated (A) in the case of approved sick leave or other approved leave of absence (not to exceed one year or such other period as the Committee may determine), or (B) in the case of a transfer among the Company and its Affiliates.

(h) *Section 409A Compliance.*

(i) To the extent applicable, it is intended that the Plan and any Awards made hereunder comply with the provisions of Section 409A of the Code, so that the income inclusion provisions of Section 409A(a)(1) of the Code do not apply to the Participants. The Plan and any Awards made hereunder will be administered in a manner consistent with this intent. Any reference in the Plan to Section 409A of the Code will also include any regulations or any other formal guidance promulgated with respect to such section by the U.S. Department of the Treasury or the Internal Revenue Service.

(ii) Neither a Participant nor any of a Participant's creditors or beneficiaries will have the right to subject any deferred compensation (within the meaning of Section 409A of the Code) payable under the Plan and Awards hereunder to any anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment or garnishment. Except as permitted under Section 409A of the Code, any deferred compensation (within the meaning of Section 409A of the

Code) payable to a Participant or for a Participant's benefit under the Plan and Awards hereunder may not be reduced by, or offset against, any amount owed by a Participant to the Company or any of its subsidiaries.

(iii) If, at the time of a Participant's separation from service (within the meaning of Section 409A of the Code), (i) the Participant will be a specified employee (within the meaning of Section 409A of the Code and using the identification methodology selected by the Company from time to time) and (ii) the Company makes a good faith determination that an amount payable hereunder constitutes deferred compensation (within the meaning of Section 409A of the Code) the payment of which is required to be delayed pursuant to the six-month delay rule set forth in Section 409A of the Code in order to avoid taxes or penalties under Section 409A of the Code, then the Company will not pay such amount on the otherwise scheduled payment date but will instead pay it, without interest, on the fifth business day of the seventh month after such separation from service.

(iv) Solely with respect to any Award that constitutes nonqualified deferred compensation subject to Section 409A of the Code and that is payable on account of a Change in Control (including any installments or stream of payments that are accelerated on account of a Change in Control), a Change in Control shall occur only if such event also constitutes a "change in the ownership," "change in effective control," and/or a "change in the ownership of a substantial portion of assets" of the Company as those terms are defined under Treasury Regulation §1.409A-3(i)(5), but only to the extent necessary to establish a time and form of payment that complies with Section 409A of the Code, without altering the definition of Change in Control for any purpose in respect of such Award.

(v) Notwithstanding any provision of this Plan and Awards hereunder to the contrary, in light of the uncertainty with respect to the proper application of Section 409A of the Code, the Company reserves the right to make amendments to the Plan and Awards hereunder as the Company deems necessary or desirable to avoid the imposition of taxes or penalties under Section 409A of the Code. In any case, a Participant will be solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on a Participant or for a Participant's account in connection with the Plan and Awards hereunder (including any taxes and penalties under Section 409A of the Code), and neither the Company nor any of its Affiliates will have any obligation to indemnify or otherwise hold a Participant harmless from any or all of such taxes or penalties.

SECTION 7. General.

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

(b) *Awards May Be Granted Separately or Together.* Subject to the provisions of Section 7(h), Awards may, in the discretion of the Committee, be granted either alone or in addition to, in tandem with or in substitution for any other Award or any award granted under any other plan of the Company or any Affiliate. Awards granted in addition to or in tandem with other Awards or in addition to or in tandem with awards granted under another

plan of the Company or an Affiliate, may be granted either at the same time as or at a different time from the grant of such other Awards or awards.

(c) *Forms of Payment Under Awards.* Subject to the terms of the Plan and of any applicable Award Agreement, payments or transfers to be made by the Company or an Affiliate upon the grant, exercise, or payment 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 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 the grant or crediting of Dividend Equivalents in respect of installment or deferred payments.

(d) *Limits on Transfer of Awards.* Awards cannot be transferred, except the Committee is hereby authorized to permit the transfer of Awards under the following terms and conditions and with such additional terms and conditions, in either case not inconsistent with the provisions of the Plan, as the Committee shall determine (provided that no Award may be transferred for value):

(i) No Award or right under any Award may be sold, encumbered, pledged, alienated, attached, assigned or transferred in any manner and any attempt to do any of the foregoing shall be void and unenforceable against the Company.

(ii) Notwithstanding the provisions of Section 7(d)(i) above:

(A) An Option may be transferred:

(1) to a beneficiary designated by the Participant in writing on a form approved by the Committee;

(2) by will or the applicable laws of descent and distribution to the personal representative, executor or administrator of the Participant's estate; or

(3) to a revocable grantor trust established by the Participant for the sole benefit of the Participant during the Participant's life, and under the terms of which the Participant is and remains the sole trustee until death or physical or mental incapacity. Such assignment shall be effected by a written instrument in form and content satisfactory to the Committee, and the Participant shall deliver to the Committee a true copy of the agreement or other document evidencing such trust. If in the judgment of the Committee the trust to which a Participant may attempt to assign rights under such an Award does not meet the criteria of a trust to which an assignment is permitted by the terms hereof, or if after assignment, because of amendment, by force of law or any other reason such trust no longer meets such criteria, such attempted assignment shall be void and may be disregarded by the Committee and the Company and all rights to any such Options shall revert to and remain solely with the Participant. Notwithstanding a qualified assignment, for the purpose of determining compensation arising by reason of the Option, the Participant, and not the trust to which rights under such an

Option may be assigned, shall continue to be considered an employee or consultant, as the case may be, of the Company or an Affiliate, but such trust and the Participant shall be bound by all of the terms and conditions of the Award Agreement and this Plan. Shares issued in the name of and delivered to such trust shall be conclusively considered issuance and delivery to the Participant.

(B) A Participant may assign or transfer rights under an Award of Restricted Stock or Restricted Stock Units:

(1) to a beneficiary designated by the Participant in writing on a form approved by the Committee;

(2) by will or the applicable laws of descent and distribution to the personal representative, executor or administrator of the Participant's estate; or

(3) to a revocable grantor trust established by the Participant for the sole benefit of the Participant during the Participant's life, and under the terms of which the Participant is and remains the sole trustee until death or physical or mental incapacity. Such assignment shall be effected by a written instrument in form and content satisfactory to the Committee, and the Participant shall deliver to the Committee a true copy of the agreement or other document evidencing such trust. If in the judgment of the Committee the trust to which a Participant may attempt to assign rights under such an Award does not meet the criteria of a trust to which an assignment is permitted by the terms hereof, or if after assignment, because of amendment, by force of law or any other reason such trust no longer meets such criteria, such attempted assignment shall be void and may be disregarded by the Committee and the Company and all rights to any such Awards shall revert to and remain solely with the Participant. Notwithstanding a qualified assignment, for the purpose of determining compensation arising by reason of the Award, the Participant, and not the trust to which rights under such an Award may be assigned, shall continue to be considered an employee or consultant, as the case may be, of the Company or an Affiliate, but such trust and the Participant shall be bound by all of the terms and conditions of the Award Agreement and this Plan. Shares issued in the name of and delivered to such trust shall be conclusively considered issuance and delivery to the Participant.

- (iii) The Committee, the Company and its officers, agents and employees may rely upon any beneficiary designation, assignment or other instrument of transfer, copies of trust agreements and any other documents delivered to them by or on behalf of the Participant which they believe genuine and any action taken by them in reliance thereon shall be conclusive and binding upon the Participant, any trustee, the personal representatives of the Participant's estate and all persons asserting a claim based on an Award. The delivery by a Participant of a beneficiary designation, or an assignment of rights under an Award as permitted hereunder, shall constitute the Participant's irrevocable undertaking to hold the Committee, the Company and its officers, agents and employees harmless against claims, including any cost or expense incurred in defending against claims, of any person (including the Participant) which may be asserted or alleged to be based on an Award subject to a

beneficiary designation or an assignment. In addition, the Company may decline to deliver Shares to a beneficiary, heir or trustee until it receives indemnity against claims of third parties satisfactory to the Company.

(e) *Share Certificates.* All certificates for, or other indicia of, 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 or state 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.

(f) *Change in Control.* The vesting and payment terms applicable to an Award following a Change in Control, if any, shall be determined by the Committee at the time the Award is granted and shall be specified in the applicable Award Agreement.

(g) *Cash Settlement.* Notwithstanding any provision of this Plan or of any Award Agreement to the contrary, but subject to provisions of Section 409A of the Code and Section 7(h) of the Plan, any Award outstanding hereunder may at any time be cancelled in the Committee's sole discretion upon payment of the value of such Award to the holder thereof in cash or in another Award hereunder, such value to be determined by the Committee in its sole discretion.

(h) *Repricing.* Except in connection with a corporate transaction involving the Company as described in Section 4(d) of the Plan (including, without limitation, any stock dividend, stock split, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination, or exchange of shares), the terms of outstanding Awards may not be amended to reduce the exercise price of outstanding Options or Stock Appreciation Rights or cancel outstanding Options or Stock Appreciation Rights in exchange for cash, other awards or Options or Stock Appreciation Rights (including any Awards granted in substitution of any other such Awards) with an exercise price that is less than the exercise price of the original Options or Stock Appreciation Rights without stockholder approval.

(i) *Clawback.* Awards granted under the Plan are subject to the terms and conditions of the Company's clawback provisions, policy, or policies (if any) as may be in effect from time to time, including specifically to implement Section 10D of the Exchange Act, and any applicable rules or regulations promulgated thereunder (including applicable rules and regulations of any national securities exchange on which the Shares at any point may be traded) (the "Compensation Recovery Policy"), and applicable sections of any Award Agreement to which the Plan is applicable or any related documents shall be interpreted consistently with (or deemed superseded by and/or subject to, as applicable) the terms and conditions of the Compensation Recovery Policy. Further, by accepting any Award under the Plan, each Participant agrees (or has agreed) to fully cooperate with and assist the Company in connection with any of such Participant's obligations to the Company pursuant to the Compensation Recovery Policy, and agrees (or has agreed) that the Company may enforce its rights under the Compensation Recovery Policy through any and all reasonable means permitted under applicable law as it deems necessary or desirable under the Compensation Recovery Policy, in each case from and after the effective dates

thereof. Such cooperation and assistance shall include, but is not limited to, executing, completing and submitting any documentation necessary to facilitate the recovery or recoupment by the Company from such Participant of any such amounts, including from such Participants' accounts or from any other compensation to the extent permissible under Section 409A of the Code. Otherwise, any Award Agreement (or any part thereof) may provide for the cancellation or forfeiture of an Award or the forfeiture and repayment to the Company of any gain or earnings related to an Award (or other provisions intended to have similar effects), including upon such terms and conditions as may be determined by the Board or the Committee in accordance with the Compensation Recovery Policy or any applicable laws, rules, regulations or requirements that impose mandatory clawback or recoupment requirements under the circumstances set forth in such laws, rules, regulations or requirements in effect from time to time (including as may operate to create additional rights for the Company with respect to such Awards and the recovery of amounts or benefits relating thereto).

SECTION 8. Amendment and Termination.

Except to the extent prohibited by applicable law and unless otherwise expressly provided in an Award Agreement or in the Plan:

(a) *Amendments to the Plan.* The Board may amend the Plan and the Board or the Committee may amend any outstanding Award; *provided, however*, that: (I) no Plan amendment shall be effective until approved by stockholders of the Company (i) if any stockholder approval thereof is required in order for the Plan to continue to satisfy the conditions of the applicable rules and regulations that the Committee has determined to be necessary to comply with, and (ii) if such Plan amendment would *materially* (A) increase the number of Shares available under the Plan or issuable to a Participant (other than a change in the number of Shares made in connection with an event described in Section 4(d) hereof), (B) change the types of Awards that may be granted under the Plan, (C) expand the class of persons eligible to receive Awards under the Plan, or (D) directly or indirectly (including through an exchange of underwater Options or SARs for cash or other Awards) reduce the price at which an Option or Stock Appreciation Right is exercisable (other than in connection with an event described in Section 4(d) hereof or the granting of a Substitute Award), and (II) without the consent of affected Participants, no amendment of the Plan or (other than as required herein) of any Award may materially impair the rights of Participants under outstanding Awards.

(b) *Waivers.* The Committee may waive any conditions to the Company's obligations or rights of the Company under any Award theretofore granted, prospectively or retroactively, without the consent of any Participant.

(c) *Adjustments of Awards Upon the Occurrence of Certain Unusual or Nonrecurring Events.* Subject to Code Section 409A and Section 7(h) of the Plan, the Committee shall be authorized to make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events (including, without limitation, the events described in Section 4(d) hereof) affecting the Company, any Affiliate, or the financial statements of the Company or any Affiliate, or of changes in applicable laws, regulations, or accounting principles, including whenever the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits to be made available under the Plan.

SECTION 9. Correction of Defects, Omissions, and Inconsistencies.

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 effectuate the Plan.

SECTION 10. General Provisions.

(a) *No Rights to Awards.* No Participant or other person shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of Participants or holders or beneficiaries of Awards under the Plan. The terms and conditions of Awards of the same type and the determination of the Committee to grant a waiver or modification of any Award and the terms and conditions thereof need not be the same with respect to each Participant.

(b) *Withholding.* The Company or any Affiliate shall be authorized to withhold from any Award granted or any payment due or transfer made under any Award or under the Plan the amount (in cash, Shares, other securities, other Awards or other property) of withholding taxes due in respect of an Award, its exercise or any payment or transfer under such Award or under the Plan and to take such other action as may be necessary in the opinion of the Company or Affiliate to satisfy all obligations for the payment of such taxes. Notwithstanding the foregoing, when a Participant is required to pay the Company an amount required to be withheld under applicable income, employment, tax or other laws, the Committee may require the Participant to satisfy the obligation, in whole or in part, by having withheld, from the Shares delivered or required to be delivered to the Participant, Shares having a value equal to the amount required to be withheld or by delivering to the Company other Shares held by such Participant. The Shares used for tax or other withholding will be valued at an amount equal to the fair market value of such Shares on the date the benefit is to be included in Participant's income. In no event will the fair market value of the Shares to be so withheld and delivered exceed the minimum amount required to be withheld, unless (i) an additional amount can be withheld and not result in adverse accounting consequences, and (ii) such additional withholding amount is authorized by the Committee.

(c) *No Limit on Other Compensation Arrangements.* Nothing contained in the Plan shall prevent the Company or any Affiliate from adopting or continuing in effect other or additional compensation arrangements, including the grant of options and other stock-based awards, and such arrangements may be either generally applicable or applicable only in specific cases.

(d) *No Right to Employment or Service.* The grant of an Award shall not be construed as giving a Participant the right to be retained in the employ or service of the Company or any Affiliate. Further, the Company or an Affiliate may at any time dismiss a Participant from employment or service, free from any liability, or any claim under the Plan, unless otherwise expressly provided in the Plan or in any Award Agreement or in any other agreement binding the parties.

(e) *Governing Law.* The validity, construction and effect of the Plan and any rules and regulations relating to the Plan shall be determined in accordance with the laws of the State of Florida (without regard to any state's conflict of laws principles) and applicable Federal law. Any legal action related to this Plan shall be brought only in a federal or state court located in Florida.

(f) *Severability.* 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. Notwithstanding anything to the contrary in this Plan (or in any other agreement, document or arrangement with the Company or its subsidiaries or Affiliates, or in any policy, procedure or practice of the Company or its subsidiaries or Affiliates (collectively, the "Arrangements")): (a) nothing in the Arrangements or otherwise limits a Participant's right to any monetary award offered by a government-administered whistleblower award program for providing information directly to a government agency (including the Securities and Exchange Commission pursuant to Section 21F of the Exchange Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act or The Sarbanes-Oxley Act of 2002); and (b) nothing in the Arrangements or otherwise prevents a Participant from, without prior notice to the Company, providing information (including documents) to governmental authorities or agencies regarding possible legal violations or otherwise testifying or participating in any investigation or proceeding by any governmental authorities or agencies regarding possible legal violations (for purpose of clarification, Participants are not prohibited from providing information (including documents) voluntarily to the Securities and Exchange Commission pursuant to Section 21F of the Exchange Act). The Company nonetheless asserts and does not waive its attorney-client privilege over any information appropriately protected by privilege.

(g) *No Trust or Fund Created.* 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 or any Affiliate and a Participant or any other person. To the extent that any person acquires a right to receive payments from the Company or any Affiliate pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company or any Affiliate.

(h) *No Fractional Shares.* 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 cancelled, terminated or otherwise eliminated.

(i) *Headings.* Headings are given to the Sections and subsections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof.

SECTION 11. Term.

The Plan shall be amended and restated effective as of the Amendment Effective Date and no Awards shall be made under the Plan on or after the ten-year anniversary of the Amendment Effective Date.

TOPBUILD CORP.

**NON-EMPLOYEE DIRECTORS EQUITY PROGRAM UNDER THE 2015 LONG TERM STOCK
INCENTIVE PLAN**

Amended and Restated Effective April 28, 2025

For purposes of the TopBuild Corp. (the "Company") Non-Employee Directors Equity Program (the "Program"), an "Eligible Director" is any director of the Company who is not an employee of the Company and who receives a fee for services as a director. Terms not defined herein have the meaning given to them in the Company's 2015 Long Term Stock Incentive Plan, as amended from time to time (the "Plan").

Section 1. Restricted Stock Award

(a) Eligibility, Amount, Adjustment of Awards.

(i) Eligibility for Award. On the date of each of the Company's annual stockholders' meetings (the "Annual Meeting"), each person who is or becomes an Eligible Director at such Annual Meetings shall be granted an Award of Restricted Stock (the "Annual Retainer").

(ii) Amount of Award. The amount of the Award of Restricted Stock shall be determined by the Board from time to time. If an Eligible Director begins serving as a director other than as of the date of an Annual Meeting, Awards of Restricted Stock granted hereunder shall be granted on the date of the meeting of the Governance Committee that takes place on or after such Eligible Director is first elected or appointed to the Board, and such Awards shall be pro-rated to reflect the partial service to be provided by such Eligible Director in the period between Annual Meetings.

(iii) Adjustment to Amount or Terms of Award. The Board shall have sole discretion to adjust the amount of such initial award (the "Initial Award") or the Annual Retainer to be paid in the form of Shares and the terms of any such Award of Shares. Except as the Board may otherwise determine, any increase or decrease in an Eligible Director's Initial Award or the Annual Retainer during a period with respect to which such Eligible Director has already been granted an Award of Restricted Stock shall be implemented by increasing or decreasing the cash portion of such Eligible Director's Annual Retainer; provided that any such increase or decrease shall comply with Section 409A of the Code and regulations thereunder to the extent an Award constitutes "deferred compensation" within the meaning of Section 409A of the Code.

(b) Each Award of Restricted Stock granted hereunder shall vest on such schedule as determined by the Board at the time the Award is granted and, if no vesting schedule is specified, on the date of the next occurring Annual Meeting. The applicable Award Agreement shall set forth vesting conditions as well as such other terms and conditions applicable to the Award as shall be determined by the Board in its discretion, including provisions applicable upon the termination of the Eligible Director's term of service as a director.

(c) The price of the Shares used in determining the number of Shares subject to an Award of Restricted Stock granted hereunder shall be calculated in accordance with the Company's pricing policy or, if a pricing policy has not been adopted by the Company, shall be the fair market value of the Shares as determined by the Board on the effective grant date of such Award, in either case, rounded up to the next whole Share.

(d) Each Eligible Director shall be entitled to vote and receive dividends on the Shares subject to the Award of Restricted Stock but will not be able to obtain a stock certificate or sell, encumber, or otherwise transfer such Shares of Restricted Stock except in accordance with the terms of the Plan.

Section 2. Non-Compete Provision

Each Award of Restricted Stock granted hereunder shall contain a provision whereby the Award holder shall agree, in consideration for the Award and regardless of whether restrictions on Shares of Restricted Stock have lapsed, as follows:

(a) While the holder is a director of the Company and for a period of one year following the later of the last date of vesting of any Shares or the termination of such holder's term as a director of the Company, other than a termination following a Change in Control, the Award holder shall agree not to engage in, and not to become associated in a "Prohibited Capacity" (as hereinafter defined) with any other entity engaged in, any "Business Activities" (as hereinafter defined) and not to encourage or assist others in encouraging any employee of the Company or any of its subsidiaries to terminate employment or to become engaged in any such Prohibited Capacity with an entity engaged in any Business Activities. "Business Activities" shall mean the design, development, manufacture, sale, marketing or servicing of any product, or providing of services competitive with the products or services, of the Company or any subsidiary at any time while the Award is outstanding, to the extent that such competitive products or services are distributed or provided either (1) in the same geographic area as are such products or services of the Company or any of its subsidiaries or (2) to any of the same customers as such products or services of the Company or any of its subsidiaries are distributed or provided. "Prohibited Capacity" shall mean being associated with an entity as a director, employee, consultant, investor or in another capacity where (1) confidential business information of the Company or any of its subsidiaries could be used in fulfilling any of the holder's duties or responsibilities with such other entity, or (2) an investment by the Award holder in such other entity represents more than 1% of such other entity's capital stock, partnership or other ownership interests.

(b) Should the Award holder breach any of the restrictions contained in the preceding paragraph, by accepting an Award, the Award holder shall agree, independent of any equitable or legal remedies that the Company may have and without limiting the Company's right to any other equitable or legal remedies, to pay to the Company in cash immediately upon the demand of the Company (1) the amount of income realized for income tax purposes from the Award, net of all federal, state and other taxes payable on the amount of such income, but only to the extent that such income is realized from restrictions lapsing on Shares or exercises occurring, as the case may be, on or after the termination of the Award holder's term as a director of the Company or within the two-year period prior to the date of such termination, plus (2) all costs and expenses of the Company in any effort to enforce its rights under this or the preceding paragraph. The Company

shall have the right to set off or withhold any amount owed to the Award holder by the Company or any of its subsidiaries or affiliates for any amount owed to the Company by the Award holder hereunder.

Section 3. Termination, Modification or Suspension

The Board may terminate, modify or suspend the Program at any time as it may deem advisable.