

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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): May 2, 2018

SPAR Group, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

0-27408
(Commission
File No.)

33-0684451
(IRS Employer
Identification No.)

333 Westchester Avenue, South Building, Suite 204, White Plains, NY
(Address of Principal Executive Offices)

10604

(Zip Code)

Registrant's telephone number, including area code: (914) 332-4100

(Former Name or Former Address, if Changed Since Last Report)

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:

- 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))

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

SPAR Group, Inc. (the "Corporation", "SGRP" or the "Registrant") held its Annual Meeting of Stockholders on May 2, 2018 (the "2018 Annual Meeting"), and regular quarterly meetings of its Board of Directors (the "Board") and its Committees on May 2 and 3, 2018, and the following events occurred in connection with those meetings.

For the purposes of the following: "Effective Time" means the conclusion of the Board and Committee meeting on May 3, 2018; and the "Forthcoming Year" means the period commencing at the Effective Time and continuing through the date of the Corporation's annual meeting of stockholders in 2019 and thereafter until such time (if ever) as the referenced person shall have been duly elected or otherwise chosen for that position, or until his or her earlier resignation, removal or other replacement, in each case in accordance with the By-Laws of the Corporation and applicable law.

Election of Five Directors:

At the 2018 Annual Meeting, the Corporation's stockholders reelected all five nominees – see Item 5.07, below.

Robert G. Brown Retirement as a Director and Chairman:

As previously disclosed in the Proxy Statement, Robert G. Brown retired as Chairman and a member of the Board and his other positions (if any) with the Corporation and its subsidiaries, effective at the Effective Time. Although he no longer has any right or authority as a director, officer or other representative of the Corporation, in recognition of his lifetime of contributions and services to the Corporation and its predecessors, Mr. Brown has been granted the honorary title of Chairman Emeritus.

Non-Retirement and Re-appointment of Lorrence T. Kellar for a One Year Term as a Director:

Although the retirement at the Effective Time of Lorrence T. Kellar as a director was anticipated in the Proxy Statement (and he therefore did not seek re-election), the Governance Committee has thus far not located and selected an amenable qualified candidate to succeed Mr. Kellar as an independent director, so the Governance Committee and Board requested that Mr. Kellar withdraw and delay his retirement and continue as an independent director of the Corporation for an additional year, and Mr. Kellar agreed. Accordingly, the Board, based in part upon the recommendations of the Governance Committee, appointed Mr. Lorrence T. Kellar to continue and serve as an independent director, effective upon the last to occur of the Effective Time and Mr. Robert G. Brown's actual retirement, to serve in such position during the Forthcoming Year, and increased the Board and Committee Sizes by one each to accommodate that appointment.

Lorrence T. Kellar served as a Director since April 2, 2003. Mr. Kellar also is a member of the Audit Committee, Compensation Committee, Governance Committee and Special Committee. Mr. Kellar had a 31-year career with The Kroger Co., where he served in various financial capacities, including Group Vice President for real estate and finance, and earlier, as Corporate Treasurer. He was responsible for all of Kroger's real estate activities, as well as facility engineering, which coordinated all store openings and remodels. Mr. Kellar subsequently served as Vice President, real estate, for Kmart and then as Vice President of Continental Properties Company, Inc., a retail real estate developer, until November 2009. Mr. Kellar is a trustee of the Acadia Realty Trust. He also is a major patron of the arts and has served as Chairman of the Board of the Cincinnati Ballet. The Board concluded that Mr. Kellar should continue as a director of the Corporation because of his extensive experience in senior management and financial matters in retail marketing and services.

Peter W. Brown Appointment for a One Year Term as a Director:

The Board, based in part upon the recommendations of the Governance Committee, appointed Mr. Peter W. Brown to succeed Mr. Robert G. Brown as a non-independent director, effective upon the last to occur of the Effective Time and Mr. Robert G. Brown's actual retirement, to serve in such position during the Forthcoming Year, and increased the Board Size by one to accommodate that appointment. Mr. Peter W. Brown is the nephew of Mr. Robert G. Brown and has been determined by the Board, its Governance Committee and the Corporation to be an affiliate and related party (please see "*Transactions with Related Persons, Promoters and Certain Control Persons - Domestic Related Party Services*" in the 2018 Proxy Statement).

Peter W. Brown served as a Board Observer to the Corporation's Board of Directors from 2014 through December 2016, serves as a director of the Corporation's Brazilian subsidiary, SPAR BSMT and owns EILLC (which owns 10% SPAR BSMT). See "*Transactions with Related Persons, Promoters and Certain Control Persons - International Related Party Services*" in the 2018 Proxy Statement. He also has served as a director of Business Ideas Provider, LTD, since 2012, and as a director of Affinity Insurance, LTD, since 2013. Mr. Brown received a BS from the University of Massachusetts's School of Natural Science and an MBA from the University of Massachusetts's Isenberg School of Management.

Board Leadership, Committee, and Executive Positions:

In connection with the 2018 Annual Meeting, the Board of Directors of the Corporation (the "Board") filled the following leadership positions with the Board and its Committees based (in part) on the recommendations of its Governance Committee, effective at the Effective Time:

Arthur B. Drogue	Chairman of the Board, Lead Director
William H. Bartels	Vice Chairman of the Board
Jack W. Partridge	Chairman of the Compensation Committee
R. Eric McCarthy	Chairman of the Audit Committee and Special Committee
Lorrence T. Kellar	Chairman of the Governance Committee

The Board also reappointed its independent directors, Arthur B. Drogue, Lorrence T. Kellar, Jack W. Partridge and R. Eric McCarthy, to continue to be the sole members of the Board's Audit Committee, Compensation Committee, Governance Committee and Special Committee, based (in part) on the recommendations of its Governance Committee, effective at the Effective Time.

Finally, the Board reappointed the following existing Executives to continue in their respective positions, based (in part) on the recommendations of its Governance Committee, effective at the Effective Time:

Christiaan M. Olivier	Chief Executive Officer and President
James R. Segreto	Chief Financial Officer, Secretary and Treasurer
Kori G. Belzer	Chief Operating Officer
Gerard Marrone	Chief Revenue Officer
Steven J. Adolph	President International

2018 Stock Compensation Plan Changes:

In connection with the 2018 Annual Meeting, in order to increase the likelihood of its passage, the Board, based (in part) on the recommendations of its Compensation Committee, approved the modification of the proposed SPAR Group, Inc. 2018 Stock Compensation Plan to remove all adjustments for prior plans, continuing awards and share recycling, which the Board determined was within its authority and not materially adverse to the interests of the Corporation's existing stockholders. SPAR Group, Inc. 2018 Stock Compensation Plan (including the above changes), was approved by stockholders on May 2, 2018, and is attached hereto and filed herewith.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year

By-Law Amendments:

The Board, based (in part) on the recommendations of its Governance Committee, amended its By-Laws to (i) return the sizes of the Board and its Committees to seven and four, respectively, to accommodate the appointments of Mr. Lorrence T. Kellar to the Board and its Committees and Mr. Peter W. Brown to the Board, (ii) increase the quorum required for a stockholders' meeting to at least one-half of the Corporation's shares then issued and outstanding and entitled to vote at such meeting, (iii) increase the vote required for the election of a director to a majority of the votes cast, and (iv) clarify that votes cast do not include abstentions, non-votes or inconclusive votes (i.e., no box clearly checked, multiple boxes checked, and the like) respecting any candidate or matter. The Amended and Restated By-Laws of SPAR Group, Inc., as adopted on May 18, 2004, as amended through May 3, 2018 (including the above changes), is attached hereto and filed herewith.

Item 5.07 Submission of Matters to a Vote of Security Holders

SPAR Group, Inc. (the "Corporation", "SGRP" or the "Registrant") held its Annual Meeting of Stockholders on May 2, 2018 (the "2018 Annual Meeting"), for those who were stockholders of SGRP at the close of business on March 23, 2018 (the "Record Date"), pursuant to notice and proxy materials duly mailed to them. As of the Record Date, there were 20,647,704 shares outstanding of SGRP's common stock, \$0.01 par value (the "SGRP Common Stock"). At the 2018 Annual Meeting, Record Date stockholders holding 11,144,674.44 shares (approximately 54.0%) of the SGRP Common Stock were present in person or by proxy. Each such stockholder was entitled to one vote for each share of the SGRP Common Stock held by such stockholder on the Record Date, and the holders of the SGRP Common Stock voted together, respecting the election of directors and the other proposals presented to them at the 2018 Annual Meeting, as described in the Corporation's definitive Proxy Statement respecting the 2018 Annual Meeting, as filed with the SEC on April 18, 2018 (the "Proxy Statement").

At the 2018 Annual Meeting, the following matters were submitted to votes of SGRP's stockholders in accordance with the Proxy Statement and the Corporation's By-Laws: (i) Election of directors; (ii) Advisory Vote respecting the ratification of the appointment of BDO USA, LLP ("BDO"), as the Corporation's principal independent public auditors for 2018; (iii) Advisory Vote on the Executive Compensation as described in the Proxy Statement; (iv) Advisory Vote on the Frequency of the Executive Compensation Vote; and (v) to ratify and approve the adoption of the 2018 Stock Compensation Plan.

(i) The following votes were received at the 2018 Annual Meeting from the stockholders by proxy or ballot for the election of five directors to serve until the 2019 Annual Meeting of Stockholders and until their respective successors are elected and qualified, and all such persons were reelected as directors of SGRP (election was by a plurality of votes cast):

Name	For	Against
William H. Bartels	11,059,280.44	85,394.00
Arthur B. Drogue	10,886,742.44	257,932.00
Jack W. Partridge	10,895,446.44	249,228.00
R. Eric McCarthy	10,895,446.44	249,228.00
Christiaan M. Olivier	11,062,280.44	82,394.00

There were no withholds or abstentions for any director.

(ii) The following votes were received at the 2018 Annual Meeting from the stockholders by ballot for the adoption of the proposal to approve (on an advisory basis) the appointment of BDO, as the Corporation's principal independent public accountants for the fiscal year ending December 31, 2018, and such appointment was approved (approval was by a majority of votes cast):

For	Against	Abstain	Not Voted
11,138,941.44	5,733.00	0	0

(iii) The following votes were received at the 2018 Annual Meeting from the stockholders by ballot for the adoption of the proposal to approve (on an advisory basis) the compensation of the named executive officers, as disclosed in the Proxy Statement (*i.e.*, "say on pay"), and such compensation was approved (approval was by a majority of votes cast):

For	Against	Abstain	Not Voted
11,113,522.44	18,072.00	13,080.00	0

The Corporation currently intends to request this same advisory vote from its stockholders next year.

(iv) The following votes were received at the 2018 Annual Meeting from the stockholders by ballot for the proposal to select (on an advisory basis) whether the Corporation should request an advisory vote from its stockholders respecting executive compensation every one, two or three years (*i.e.*, "say on frequency"), and a one year frequency was approved (approval was the choice receiving the most votes cast):

"One Year"	"Two Years"	"Three Years"	Abstain	Not Voted
11,119,951.44	15,034.00	8,689.00	1,000.00	0

The Corporation currently intends to request this same advisory vote from its stockholders next year.

(vi) The following votes were received at the 2018 Annual Meeting from the stockholders by ballot to ratify and approve the adoption of the 2018 Stock Compensation Plan, and such plan was approved (approval was by a majority of votes cast):

For	Against	Abstain	Not Voted
8,367,705.44	565,036.00	2,211,933.00	0

Although the stockholder notice and proxy materials permitted certain other matters to be submitted by the Board for consideration by the stockholders at the 2018 Annual Meeting, no other matters were submitted to or voted on by the stockholders.

Forward Looking Statements

This Current Report on Form 8-K (this "Current Report"), contain "forward-looking statements" within the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, made by, or respecting, SPAR Group, Inc. ("SGRP") and its subsidiaries (together with SGRP, the "SPAR Group" or the "Company"), and this Current Report has been filed by SGRP with the Securities and Exchange Commission (the "SEC"). There also are "forward-looking statements" contained in SGRP's Annual Report on Form 10-K for its fiscal year ended December 31, 2017 (as filed, the "Annual Report"), as filed with the SEC on April 2, 2018, in SGRP's definitive Proxy Statement respecting its Annual Meeting of Stockholders held on May 2, 2018, as filed with the SEC on April 18, 2018 (the "Proxy Statement"), and SGRP's Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other reports and statements as and when filed with the SEC (including this Current Report, the Annual Report and the Proxy Statement, each a "SEC Report"). "Forward-looking statements" are defined in Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and other applicable federal and state securities laws, rules and regulations, as amended (together with the Securities Act and Exchange Act, the "Securities Laws").

All statements (other than those that are purely historical) are forward-looking statements. Words such as "may," "will," "expect," "intend", "believe", "estimate", "anticipate," "continue," "plan," "project," or the negative of these terms or other similar expressions also identify forward-looking statements. Forward-looking statements made by the Company in this Current Report or the Annual Report may include (without limitation) statements regarding: risks, uncertainties, cautions, circumstances and other factors ("Risks"); and plans, intentions, expectations, guidance or other information respecting the pursuit or achievement of the Company's five corporate objectives (growth, customer value, employee development, greater productivity & efficiency, and increased earnings per share), building upon the Company's strong foundation, leveraging compatible global opportunities, growing the Company's client base and contracts, continuing to strengthen its balance sheet, growing revenues and improving profitability through organic growth, new business development and strategic acquisitions, and continuing to control costs. The Company's forward-looking statements also include (without limitation) those made in the Annual Report in "Business", "Risk Factors", "Legal Proceedings", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Directors, Executive Officers and Corporate Governance", "Executive Compensation", "Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters", and "Certain Relationships and Related Transactions, and Director Independence".

You should carefully review and consider the Company's forward-looking statements (including all risk factors and other cautions and uncertainties) and other information made, contained or noted in or incorporated by reference into this Current Report, the Annual Report, the Proxy Statement and the other applicable SEC Reports, but you should not place undue reliance on any of them. The results, actions, levels of activity, performance, achievements or condition of the Company (including its affiliates, assets, business, clients, capital, cash flow, credit, expenses, financial condition, income, liabilities, liquidity, locations, marketing, operations, performance, prospects, sales, strategies, taxation or other achievement, results, risks, trends or condition) and other events and circumstances planned, intended, anticipated, estimated or otherwise expected by the Company (collectively, "Expectations"), and our forward-looking statements (including all Risks) and other information reflect the Company's current views about future events and circumstances. Although the Company believes those Expectations and views are reasonable, the results, actions, levels of activity, performance, achievements or condition of the Company or other events and circumstances may differ materially from our Expectations and views, and they cannot be assured or guaranteed by the Company, since they are subject to Risks and other assumptions, changes in circumstances and unpredictable events (many of which are beyond the Company's control). In addition, new Risks arise from time to time, and it is impossible for the Company to predict these matters or how they may arise or affect the Company. Accordingly, the Company cannot assure you that its Expectations will be achieved in whole or in part, that it has identified all potential Risks, or that it can successfully avoid or mitigate such Risks in whole or in part, any of which could be significant and materially adverse to the Company and the value of your investment in the Company's Common Stock.

These forward-looking statements reflect the Company's Expectations, views, Risks and assumptions only as of the date of this Current Report, and the Company does not intend, assume any obligation, or promise to publicly update or revise any forward-looking statements (including any Risks or Expectations) or other information (in whole or in part), whether as a result of new information, new or worsening Risks or uncertainties, changed circumstances, future events, recognition, or otherwise.

**THE
AMENDED AND RESTATED**

**BY-LAWS
of
SPAR Group, Inc.**

A Delaware Corporation

**As Adopted, Restated, Effective and Dated as of May 18, 2004,
and
As Further Amended Through May 3, 2018**

As Amended Through May 3, 2018

SPAR Group, Inc. By-Laws

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AMENDED AND RESTATED BY-LAWS

of

SPAR GROUP, INC.

As Adopted, Restated, Effective and Dated as of May 18, 2004,

and

As Further Amended Through May 3, 2018

ARTICLE I.

CERTIFICATE, BY-LAWS, AGENT AND OFFICES

Section 1.01. Certificate of Incorporation. **SPAR Group, Inc.**, a Delaware corporation formerly known as PIA Merchandising Services, Inc. (the "Corporation"), was formed pursuant to a Certificate of Incorporation filed on November 29, 1995, with the Secretary of State of the State of Delaware (as the same may have been and hereafter may be supplemented, modified, amended or restated from time to time in the manner provided therein and under Applicable Law, the "Certificate").

Section 1.02. By-Laws and Restatement; Conformed Version Includes All Amendments Through May 3, 2018. The Corporation, through the action of its Board of Directors (the "Board"), has adopted these amended and restated by-laws for the Corporation (as the same may have been and hereafter may be supplemented, modified, amended, restated or replaced from time to time in the manner provided herein, these "By-Laws"), dated and effective as of May 18, 2004 (the "Restatement Date"). These By-Laws, the Audit Committee Charter, the Compensation Committee Charter and the Governance Committee Charter together amend, restate and completely replace all previous by-laws and committee charters of the Corporation, effective as of the Restatement Date. This is a conformed version of the By-Laws that includes all amendments adopted by the action of the Board after the Restatement Date through May 3, 2018.

Section 1.03. Registered Agent. The registered agent of the Corporation shall be as set forth in the Certificate on the Restatement Date and as hereafter may be made, revoked or changed from time to time by the Corporation's in the manner permitted by Applicable Law.

Section 1.04. Registered Office. The registered office of the Corporation in the State of Delaware shall be located at the office of the registered agent of the Corporation in the State of Delaware and may be changed by the Board or registered agent from time to time in the manner permitted by Applicable Law.

Section 1.05. Chief Executive Office. The chief executive office of the Corporation shall be located in Westchester County, New York, or in such other place as may be designated from time to time by the Board or Chairman.

Section 1.06. Other Offices. The Corporation and its direct and indirect subsidiaries (together with the Corporation, collectively, the "SPAR Group") also may have such other offices at such other places, within or without the State of Delaware or State of New York, as from time to time may have been (a) approved by the Board or (b) required by the business of the SPAR Group and approved by an Executive of the Corporation.

ARTICLE II.

MEETINGS OF SHAREHOLDERS

Section 2.01. Annual Meetings. The annual meeting of the stockholders of the Corporation for the election of directors and for the transaction of such other business as properly may come before such meeting shall be held on such date and at such time and place within or without the State of Delaware as may be designated by the Board from time to time.

Section 2.02. Special Meetings. Special meetings of the stockholders for any proper purpose or purposes may be called at any time by the Board, the Chairman, the Vice Chairman or the Chief Executive Officer to be held on such date and at such time and place (within or without the State of Delaware) as the person or persons calling the meeting shall direct. A special meeting of the stockholders also may be called by the Secretary or any Assistant Secretary at the direction of the Board, the Chairman, the Vice Chairman or the Chief Executive Officer. A special meeting of the stockholders shall be called promptly by the Chairman, the Vice Chairman, the Chief Executive Officer or the Secretary whenever such Officer receives Physical Delivery of the written request for such a meeting from stockholders owning one-fourth (25%) of the shares of the Corporation then issued and outstanding and entitled to vote on matters to be submitted to stockholders at the meeting. Any such written request by the stockholders shall state a proper purpose or purposes for the meeting, to which other purposes may be added by the Board, the Chairman, the Vice Chairman or the Chief Executive Officer (or by the Secretary or Assistant Secretary at the direction of any of them) in submitting notice of the special meeting to the stockholders. At any special meeting, however called, only such business as is related to the purpose or purposes set forth in the notice to stockholders may be transacted.

Section 2.03. Notice of Meeting. Written notice of every meeting of stockholders stating the place, date and hour of the meeting shall be signed by the Chairman, the Vice Chairman, the Chief Executive Officer or the Secretary, or by any other Officer authorized to do so by the Board or these By-Laws. Such notice shall be given, either personally, by Physical Delivery or (to the extent the recipient has consented specifically thereto as required by the DGCL) Electronic Delivery, to each stockholder of record entitled to vote at such meeting not less than ten (10) nor more than sixty (60) days before the meeting, except as otherwise provided by Applicable Law. Notice of a special meeting also shall state the purpose or purposes for which the meeting is called (which may include the election of directors if so stated) and the person or persons calling the meeting. A notice sent by Physical Delivery shall be directed to a stockholder's address listed in the records of the Corporation, which may be changed by a written notice to the Secretary of a new address. Notice need not be given to any stockholder who submits a signed waiver of notice, in person or by proxy, either before or after the meeting. The attendance of any stockholder at a meeting, in person or by proxy, without protesting prior to the conclusion of the meeting the lack of notice of such meeting, shall constitute a waiver of notice by such stockholder.

Section 2.04. Quorum and Manner of Participation; Treasury Stock.

(a) Except as otherwise provided by the Certificate or Applicable Law: the presence at any meeting, in person or by proxy, of the holders of record of at least one-half of the shares then issued and outstanding and entitled to vote shall be necessary and sufficient to constitute a quorum for the transaction of business; and a quorum present at the commencement of a meeting shall not be broken by a subsequent withdrawal of one or more stockholders. For purposes of the foregoing, two or more classes or series of stock shall be considered a single class if the holders thereof are entitled to vote together as a single class at the meeting.

(b) Any one or more stockholders may participate in a meeting of the stockholders by means of a telephone conference or other electronic communication allowing all persons participating in the meeting to hear each other. Participation by such means shall constitute presence in person at a meeting.

(c) Shares of the capital stock of the Corporation owned by the Corporation or any of its direct or indirect subsidiaries shall not be entitled to vote and shall not be counted for quorum purposes; provided, however, that the foregoing shall not limit the right of the Corporation or any of its subsidiaries to vote any of the capital stock of the Corporation held by it in any fiduciary capacity for any Officer, employee or other unrelated person or the right of the Corporation to count such shares for quorum purposes.

Section 2.05. Adjournments. In the absence of a quorum, the stockholders holding a majority of the shares entitled to vote and present at the time and place of any meeting, in person or by proxy, or, if no stockholder entitled to vote is present in person or by proxy, any Officer entitled to preside or act as secretary of such meeting, may adjourn the meeting from time to time without notice, other than the announcement at the meeting of the date, time and place of the adjourned meeting, until a quorum is present. However, if the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 2.06. Inspectors. The Board, in advance of any stockholders' meeting, may appoint one or more inspectors to act at the meeting or any adjournment thereof. If inspectors are not so appointed, the person presiding at a stockholders' meeting may, and on the request of any stockholder entitled to vote thereat shall, appoint one or more inspectors. In case any person appointed fails to appear or act, the vacancy may be filled by appointment made by the Board in advance of the meeting or at the meeting by the person presiding thereat. Each inspector shall execute faithfully the duties of inspector at such meeting with strict impartiality and according to the best of his ability, and if requested to do so before entering upon the discharge of his duties, each inspector shall give or sign an oath to do so. If inspectors have been designated, the inspectors (or if there are no inspectors, the secretary of the meeting) shall determine the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum and the validity and effect of proxies, and the inspectors shall receive votes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the result, and do such other things as are proper to conduct the election or vote with fairness to all stockholders. On request of the person presiding at the meeting or any stockholder entitled to vote thereat, the inspectors shall make a report in writing of any challenge, question or matter determined by them and execute a certificate of any fact found by them. Any report or certificate made by them shall be prima facie evidence of the facts stated and of the vote as certified by them.

Section 2.07. Voting. Except as otherwise provided by the Certificate or Applicable Law: (a) each stockholder shall be entitled to one vote for each share of the Corporation's stock entitled to vote on the matter registered in his name on the books of the Corporation on the applicable record date, as determined in accordance with Section 8.01 of these By-Laws; and (b) at any meeting of stockholders at which a quorum is present, (i) directors shall be chosen by a majority of the votes cast, (ii) directors may be removed by the votes of a majority of the shares then entitled to vote for directors, and (iii) all other questions brought before the stockholders shall be determined by a majority of the votes cast. For clarity, votes cast do not include abstentions, non-votes or inconclusive votes (*i.e.*, no box clearly checked, multiple boxes checked, and the like) respecting any candidate or matter. For purposes of the foregoing, two or more classes or series of stock shall be considered a single class if the holders thereof are entitled to vote together as a single class at the meeting.

Section 2.08. Proxies.

(a) Any stockholder entitled to vote may vote by proxy, provided that the instrument authorizing such proxy to act is dated and has been signed by the stockholder or by his duly authorized attorney, Officer, director, employee or agent, who may affix such signature by any reasonable means (including facsimile). A proxy need not be sealed, witnessed or acknowledged. A proxy shall expire six months after it is created unless it is coupled with an interest or it expressly provides for a longer period (which in any event may not exceed seven years from the date of its creation). A proxy shall be presumed to be revocable unless it expressly provides otherwise. Proxies may be delivered to the Secretary before the meeting begins or to the secretary of the meeting or the inspectors of election at the meeting.

(b) A duly executed proxy may be made irrevocable by an express statement to that effect if, and only so long as, it is coupled with an interest sufficient under Applicable Law to support an irrevocable power. A proxy may be made irrevocable regardless of whether the interest with which it is coupled is an interest in the stock itself or an interest in the Corporation generally.

(c) A stockholder may authorize another person or persons to act for him as proxy by transmitting, or authorizing the transmission of, an email, fax, tested telex, cable, telegram or other reliable electronic transmission (i) to the person who will be the holder of the proxy, or (ii) to a firm that solicits proxies or similar agent who is authorized by the person who will be the holder of the proxy to receive the transmission. Any such email, fax, tested telex, cable, telegram or other reliable electronic transmission must either set forth or be submitted with information from which it can be determined that such email, fax, tested telex, cable, telegram or other reliable electronic transmission was authorized by the stockholder. If it is determined that the email, fax, tested telex, cable, telegram or other reliable electronic transmission is valid, the persons appointed by the Corporation to count the votes of stockholders and determine the validity of proxies and ballots or other persons making those determinations must specify the information upon which they relied.

Section 2.09. Action by Written Consent. Any action required or permitted to be taken by the stockholders may be taken without any meeting, vote or notice if authorized (whether before or after such action) in a written consent or consents signed by those stockholders entitled to vote on such action having sufficient shares to have authorized it in a duly convened meeting at which all stockholders entitled to vote were present and voted. Notice of any action so authorized shall be given promptly to any stockholder not signing any such consent, but failure to give that notice shall not affect the validity of the consent. Written consents of the stockholders shall be filed with the minutes of the Corporation.

Section 2.10. List of Shareholders. At least ten days before every meeting of stockholders, the Officer in charge of the Corporation's stock ledger shall prepare and make, or cause to be prepared and made, a complete list of all of the stockholders of the Corporation entitled to vote at the meeting, which list shall be arranged in alphabetical order and show each stockholder's address and the number of shares registered in the name of each stockholder; provided, however, that if there have been no changes in the stockholders of record since the last list was prepared, a new list need not be prepared. This list shall be opened to the examination of any stockholder for any purpose germane to the meeting, and shall be made available by the Corporation during normal business hours, for a period of at least ten days prior to the meeting, either at the place where the meeting is to be held or any other place designated within the city where the meeting is to be held that may have been designated in the notice to stockholders. This list also shall be produced and made available throughout the meeting of stockholders and may be inspected by any stockholder present. No such list need be prepared if the actions to be taken at an annual meeting instead are approved by the written consent of the stockholders.

Section 2.11. Stockholder Proposals and Nominations. If and for so long as any shares of capital stock issued by the Corporation are listed for trading on any securities exchange or registered under Section 12 of the Securities Exchange Act of 1934, as amended, the following provisions shall apply:

(a) At an Annual Meeting, only such business shall be conducted, only such nominees for director shall be considered, and only such proposals shall be acted upon, as shall have been brought before the Annual Meeting: (i) by any stockholder of the Corporation (acting in his or her capacity as stockholder) who complies with the notice procedures set forth in this Section 2.11 of these By-Laws; or (ii) by, or at the direction of, the Board.

(b) For any business, nominee or proposal to be properly brought before an Annual Meeting by a stockholder (acting in his or her capacity as stockholder), such stockholder must have given timely written notice thereof by Physical Delivery to the Secretary of the Corporation. To be timely, a stockholder's notice must be delivered to, or received at, the principal executive offices of the Corporation not less than 120 calendar days in advance of the date of the Corporation's proxy statement released to stockholders in connection with the previous year's annual meeting of stockholders except that if no annual meeting was held in the previous year or the date of the annual meeting has been changed by more than thirty (30) calendar days from the date contemplated at the time of the previous year's proxy statement, a proposal shall be received by the Corporation a reasonable time before the solicitation is made.

(c) A stockholder's notice to the Secretary shall set forth as to each matter the stockholder proposes to bring before the Annual Meeting (i) a brief description of the business, nominee or proposal desired to be brought before the Annual Meeting and the reasons for considering the same at the Annual Meeting, (ii) the name and address, as they appear on the Corporation's books, of the stockholder proposing such business and any other stockholders known by such stockholder to be supporting such proposal, (iii) the class and number of shares of the Corporation's stock which are beneficially owned by the stockholder on the date of such stockholder notice and by any other stockholders known by such stockholder to be supporting such proposal on the date of such stockholder notice, and (iv) any financial interest of such stockholder (or any affiliate or family member of such stockholder), whether current or at any time within the past three years, in such business, nominee or proposal. In addition, if the notice is a nomination of a candidate for director, the stockholder's notice also must contain (A) the proposed nominee's name and qualifications, including five year employment history with employer names and a description of the employer's business, whether such individual can read and understand basic financial statements, and board memberships (if any), (B) the reason for such recommendation, (C) the number of shares of stock of the Corporation that are beneficially owned by such nominee, (D) a description of any business or other relationship, whether current or at any time within the past three years, between such nominee (or any affiliate or family member of such nominee) and either the Company, any of its directors or Officers, its auditor, or any of its customers or vendors, and (E) a description of any financial or other relationship, whether current or at any time within the past three years, between the stockholder (or any affiliate or family member of such stockholder) and such nominee (or any affiliate or family member of such nominee).

(d) If the Governance Committee determines in advance of the Annual Meeting, or if it has not passed on the proposal, if the presiding Officer of the Annual Meeting determines at the Annual Meeting, that a stockholder proposal was not made in accordance with the terms of this Section 2.11, such Officer shall so declare at the Annual Meeting and any such proposal shall not be acted upon at the Annual Meeting.

(e) This Section 2.11 shall not prevent the consideration and approval or disapproval at the Annual Meeting of reports of Officers, Directors and Committees of the Board or any other matter that comes before the meeting with the consent of the Board, but, in connection with any such report on a stockholder's proposal, no business shall be acted upon at such Annual Meeting unless stated, filed and received as herein provided.

ARTICLE III.

BOARD

Section 3.01. Number. The number of directors that shall constitute the whole Board shall be fixed from time to time by resolution of the Board or stockholders (any such resolution of either the Board or stockholders being subject to any later resolution of either of them), but in no event shall the number of directors be less than one or more than fifteen.

Section 3.02. Power. To the extent not inconsistent with the Certificate, these By-Laws or Applicable Law, the Board may adopt such policies, rules and regulations for the conduct of its meetings, the exercise of its powers and the management of the business of the Corporation as it may deem necessary or desirable. In addition, the Board may exercise all powers of the Corporation and carry out all lawful acts not required to be exercised or done by the stockholders under the Certificate, these By-Laws or Applicable Law.

Section 3.03. Term of Office. Each director (whether elected at an annual meeting, to fill a vacancy or otherwise) shall continue in office until his successor shall have been duly elected and qualified or until his earlier death, resignation or removal in the manner provided in these By-Laws or Applicable Law.

Section 3.04. Vacancies and Additional Directorships. If any vacancy shall occur among the directors by reason of death, resignation, or removal, with or without cause, or as the result of an increase in the number of directors, the directors then in office shall continue to act and may fill any such vacancy by a vote of the majority of directors then in office (including any director resigning as of a future date), though less than a quorum, or by the sole remaining director, or any such vacancy may be filled by a vote of the stockholders.

Section 3.05. Meetings.

(a) A meeting of the Board shall be held for organization and for the transaction of such other business as may properly come before the meeting, within thirty (30) days after each annual election of directors.

(b) The Board by resolution may provide for the holding of regular meetings and may fix the time and place at which such meetings may be held, which may be within or without the State of Delaware. Notice of regular or scheduled meetings shall not be required to be given, provided that, whenever the time or place of regular or scheduled meetings shall be first fixed or later changed, notice of such action shall be sent to each director who was not present at the meeting at which such action was taken at his residence or usual place of business by (i) Electronic Delivery not later than two (2) days before the day on which the new or changed meeting is to be held or (ii) Physical Delivery not later than five (5) days before the day on which the new or changed meeting is to be held.

(c) Special meetings of the Board may be called by the Chief Executive Officer or any director. Except as otherwise required by Applicable Law, notice of each special meeting shall be sent to each director at his residence or usual place of business by (i) Electronic Delivery not later than two (2) days before the day on which the meeting is to be held or (ii) Physical Delivery not later than five (5) days before the day on which the meeting is to be held. That notice shall state the place (which may be within or without the State of Delaware), date and time of such meeting, but need not state the purposes for the meeting unless otherwise required by the Certificate, these By-Laws or Applicable Law.

(d) Notice of any meeting need not be given to any director who attends such meeting in person without protesting the lack of notice or who shall waive notice thereof, before, at or after such meeting, by email, fax, tested telex, cable, telegram or other reliable electronic transmission or other writing.

Section 3.06. Quorum, Manner of Participation and Voting.

(a) At each meeting of the Board the presence of the Required Number (as defined below) of its members then serving in office, but not less than one-third of the entire board, shall be necessary and sufficient to constitute a quorum for the transaction of business. "Required Number" shall mean (i) one-half of its members then serving in office if the Board or applicable Committee then consists of an even number of directors then serving in office, or (ii) a majority (meaning more than half) of its members then serving in office if the Board or applicable Committee then consists of an odd number of directors then serving in office. In the absence of a quorum, a majority of those present at the time and place of any meeting may adjourn the meeting from time to time until a quorum shall be present and the meeting may be held as adjourned without further notice or waiver.

(b) Any one or more members of the Board may participate in a meeting of the Board by means of a telephone conference or other electronic communication allowing all persons participating in the meeting to hear each other. Participation by such means shall constitute presence in person at a meeting.

(c) Except as otherwise provided by the Certificate or Applicable Law, each director shall be entitled to one vote, and all questions brought before the directors shall be determined by a majority of the votes cast at any meeting at which a quorum is present.

Section 3.07. Action by Written Consent. Any action required or permitted to be taken by the Board may be taken without a meeting if all members of the Board consent in writing to the action. Written consents by the Board shall be filed with the minutes of the Board.

Section 3.08. Resignation of Directors. Any director may resign at any time by giving written notice of such resignation to the Board (in care of the Corporation) and to the Chief Executive Officer, the Secretary or any other Executive. Any such resignation shall take effect on the date specified in such notice, or if no effective date is specified, upon receipt and acceptance thereof by the Board or any such Officer.

Section 3.09. Removal of Directors. Any director or directors may be removed from office, either with or without cause, with the approval of stockholders required by Section 2.07 hereof at any special meeting of the stockholders, duly held as provided in these By-Laws, or by their written consent as provided in these By-Laws. At such a meeting or in such consent a successor or successors may be elected by a majority of the votes cast as provided in Section 2.07 hereto, or if any such vacancy is not so filled, it may be filled by the directors as provided in Section 3.04 hereof.

Section 3.10. Compensation of Directors. Directors shall receive such reasonable compensation for their services as directors, whether in the form of salary or a fixed fee for attendance at meetings, with reimbursement of expenses, if any, as the Board from time to time may determine. Except as otherwise provided in these By-Laws, any Committee Charter or Applicable Law, any director may serve the Corporation in any other capacity and receive compensation for that service.

ARTICLE IV.

COMMITTEES OF THE BOARD

Section 4.01. Standing Committees, Designation of Additional Committees, Etc. The Board shall have standing committees for audit matters (the "Audit Committee"), compensation matters (the "Compensation Committee") and governance matters (the "Governance Committee"), and from time to time may have such other committees as the Board, in any meeting duly held or action duly taken as provided in these By-Laws, may create (each an "Additional Committee", and together with the Audit Committee, Compensation Committee and Governance Committee, each a "Committee").

Section 4.02. Committee Charters, Powers, Etc. Contemporaneously with the adoption of these By-Laws, the Board has adopted (i) the Amended and Restated Charter of the Audit Committee of the Board of Directors of SPAR Group, Inc., Dated (as of) May 18, 2004 (as the same may be supplemented, modified, amended, restated or replaced from time to time in the manner provided therein, the "Audit Committee Charter"), (ii) the Charter of the Compensation Committee of the Board of Directors of SPAR Group, Inc., Dated (as of) May 18, 2004 (as the same may be supplemented, modified, amended, restated or replaced from time to time in the manner provided therein, the "Compensation Committee Charter"), and (iii) the Charter of the Governance Committee of the Board of Directors of SPAR Group, Inc., Dated (as of) May 18, 2004 (as the same may be supplemented, modified, amended, restated or replaced from time to time in the manner provided therein, the "Governance Committee Charter"). The Audit Committee, Compensation Committee and Governance Committee shall have the duties, power and authority respectively granted to them in the Audit Committee Charter, Compensation Committee Charter and Governance Committee Charter.

(b) Each Additional Committee shall have the duties, power and authority provided in the resolution or action creating such Committee or any charter adopted for such Committee by the Board (such resolution, action or charter, as adopted, and as the same may be supplemented, modified, amended, restated or replaced from time to time in the manner provided herein for these By-Laws, will each be referred to as an "Additional Committee Charter").

(c) Each Audit Committee Charter, Compensation Committee Charter, Governance Committee Charter and Additional Committee Charter (each a "Committee Charter"), except to the extent specifically provided otherwise therein, shall be governed by and construed and amended in accordance with these By-Laws as if such Committee Charter were part of these By-Laws.

(d) In addition, except as otherwise provided by the Certificate, these By-Laws, the applicable Committee Charter or Applicable Law, each Committee in the exercise and performance of its specific duties, power and authority shall have and may exercise any and all duties, power and authority of the Board reasonably incidental thereto and may make rules for the conduct of its own business.

Section 4.03. Appointment and Term. Except as otherwise provided in any applicable Committee Charter, each Committee shall consist of one or more directors, and any advisory Committee also may have one or more non-directors as members. Each member shall serve a term of office of one year, unless otherwise fixed from time to time by the Board, subject to earlier termination and removal as provided in this Section, or until his or her successor shall be duly elected and qualified. The Board, in any meeting duly held or action duly taken as provided in these By-Laws, at any time may (a) appoint a person to be a member of any Committee, and (b) remove any Committee member, either with or without cause. Any Committee member who ceases to be a member of the Board automatically shall simultaneously cease to be a member of each applicable Committee. The Board may designate one or more directors as alternate members of any Committee, who, in the order specified by the Board, may replace any absent or disqualified member or members at any meeting of the Committee.

Section 4.04. Committee Chairman. The Board, in any meeting duly held or action duly taken as provided in these By-Laws, at any time may (a) appoint a chairman of any Committee (each a "Committee Chairman") from among the Committee's members who also are directors of the Corporation, and (b) remove any Committee Chairman, either with or without cause, and whether appointed by the Board or the Committee. If the Board has not appointed a Committee Chairman, the members of a Committee may designate its Committee Chairman by majority vote of the full Committee membership. Any Committee Chairman who ceases to be a member of the Board or Audit Committee automatically shall simultaneously cease to be Chairman of the Audit Committee.

Section 4.05. Meetings, Notices and Records. Each Committee may provide for the holding of regular meetings and may fix the time and place at which such meetings may be held. Notice of regular or scheduled meetings shall not be required to be given, provided that whenever the time or place of regular or scheduled meeting shall be first fixed or later changed, notice of such action shall be sent to each Committee member who was not present at the meeting at which such action was taken at his residence or usual place of business by (i) Electronic Delivery not later than one (1) day before the day on which the new or changed meeting is to be held or (ii) Physical Delivery not later than two (2) days before the day on which the new or changed meeting is to be held.

(b) Special meetings of each Committee shall be held upon call by or at the direction of its chairman, or by or at the direction of any of its members, any other director or the Chief Executive Officer or Chief Financial Officer, at the time and place specified in the respective notices or waivers of notice thereof. Notice of each special meeting of a Committee shall be mailed to each member of such Committee, the other members of the Board, the Chairman, the Chief Executive Officer and the Chief Financial Officer, in each case to such person at his residence or usual place of business by (i) Electronic Delivery not later than one (1) day before the day on which the meeting is to be held or (ii) Physical Delivery not later than two (2) days before the day on which the meeting is to be held. That notice shall state the place (which may be within or without the State of Delaware), date and time of such meeting, but need not state the purpose(s) for the meeting unless otherwise required by the Certificate, these By-Laws or Applicable Law.

(c) Notice of any meeting of a Committee need not be given to any Committee member who shall attend the meeting in person or who shall waive notice thereof by email, fax, tested telex, cable, telegram or other reliable electronic transmission or other writing. Notice of any adjourned meeting need not be given.

(d) The notice of a meeting may provide, or the Committee may request, that members of the Corporation's senior management or others attend a meeting of the Committee and provide pertinent information as may be necessary or desirable and readily available.

Section 4.06. Quorum, Manner of Participation and Voting.

(a) At each meeting of any Committee the presence of the Required Number of its members then serving in office, but not less than one third of the entire Committee, shall be necessary and sufficient to constitute a quorum for the transaction of business. In the absence of a quorum, a majority of the members present at the time and place of any meeting may adjourn the meeting from time to time and until a quorum shall be present.

(b) Any one or more members and guests of any Committee may participate in a meeting of the Committee by means of a telephone conference or other electronic communication equipment allowing all persons participating in the meeting to hear each other. Participation by such means shall constitute presence in person at a meeting.

(c) Except as otherwise provided by the Certificate or Applicable Law, each member of a Committee shall be entitled to one vote, and all questions brought before the Committee shall be determined by a majority of the votes cast at any meeting at which a quorum is present.

(d) Each Committee shall maintain minutes or other records of its meetings and activities, which shall be maintained with the minutes of the Board, and shall report the same to the Board as and when requested.

Section 4.07. Action by Written Consent. Any action required or permitted to be taken by any Committee may be taken without a meeting if all members of the Committee consent in writing to the action (whether before or after such action). Written consents by the members of a Committee shall be filed with the minutes of the Board.

Section 4.08. Resignations. Any member of a Committee may resign at any time by giving written notice of such resignation to the Board, the Chairman, the Chief Executive Officer, the Chief Financial Officer and the Secretary (or any Assistant Secretary). Any such resignation shall take effect on the date specified in such notice, or if no effective date is specified, upon receipt and acceptance thereof by such person(s). Resignation from a Committee shall not constitute resignation as a director, but resignation as a director shall be deemed to be a simultaneous resignation from all Committees.

Section 4.09. Removal. The Board, in any meeting duly held or action duly taken as provided in these By-Laws, at any time may remove any member from any Committee, either with or without cause, and may appoint the successor Committee member(s). If any vacancy created by such removal is not so filled, it may be filled later at any time by the Board.

Section 4.10. Vacancies. If any vacancy shall occur in any Committee by reason of death, resignation, disqualification, removal or otherwise, the remaining members of such Committee, though less than a quorum, shall continue to act until such vacancy is filled by the Board. The Board may appoint a successor to fill any such vacancy in any meeting duly held or action duly taken as provided in these By-Laws.

Section 4.11. Compensation. Committee members shall receive such reasonable compensation for their services as Committee members, whether in the form of salary or a fixed fee for attendance at meetings, with reimbursement of expenses, if any, as the Board from time to time may determine in its discretion. Nothing contained in these By-Laws, however, shall be construed to preclude any Committee member from serving the Corporation in any other capacity and receiving compensation for that service.

ARTICLE V.

OFFICERS

Section 5.01. Positions, Election, Executives, Etc. The Officers of the Corporation shall consist of a Chairman (if designated as an Officer by the Board as an Officer), a Vice Chairman (if designated as an Officer by the Board as an Officer), a Chief Executive Officer, a Chief Financial Officer, a President, a Secretary, a Treasurer and a Controller (if designated as an Officer by the Board as an Officer), who shall each be elected or appointed by the Board, and may consist of such other Officers (including, without limitation, one or more Senior Vice Presidents, Executive Vice Presidents, Vice Presidents, Assistant Vice Presidents, Assistant Secretaries, and Assistant Treasurers) as from time to time may be elected or appointed by the Board or appointed by the Executive or other Officer(s) authorized to make such appointments by the Board or these By-Laws (each an "Officer"). Officers of the corporation need not be employees or directors of the Corporation. Any two or more offices may be held by the same person, and any Officer also may serve as a director of the Corporation. However, the Chairman and Vice Chairman each must be a director of the Corporation. The Chairman (if designated as an Executive by the Board), Vice Chairman (if designated as an Executive by the Board), Chief Executive Officer, Chief Financial Officer, President, Secretary, Treasurer, Controller (if designated as an Executive by the Board) and each other person designated as an executive Officer by the Board or appropriate Committee shall be an executive Officer of the Corporation (each an "Executive"). If the Chairman, Vice Chairman or Comptroller is not an Officer or is not an "Executive", the relevant provisions of this Article (other than those conferring the power or authority of an Officer or an Executive, respectively) shall nevertheless apply to such person as if they were an "Authorized Signatory" (as defined in Section 5.11). Each Executive also is an Officer, and the provisions of these By-Laws applicable to Officers shall apply to them as both Officers and Executives

Section 5.02. Term of Office, Resignation and Removal. Each Executive or other Officer serves at the discretion of the Board. Any Officer may resign at any time by giving written notice of such resignation to the Board, the Chief Executive Officer, the Secretary or any Assistant Secretary. Any such resignation shall take effect on the date specified in such notice, or if no effective date is specified, receipt thereof by the Board or any such Officer. Each Officer may be removed at any time by the Board, either with or without cause. Any Officer of a class who may be appointed by another Officer (irrespective of whether actually appointed by the Board or another Officer) also may be removed, either with or without cause, by the Chief Executive Officer or by any Officer senior to such Officer.

Section 5.03. Vacancies. A vacancy in an office by reason of death, resignation, removal, disqualification or otherwise shall be filled in the manner prescribed by these By-Laws for regular election or appointment to such office. In the event of the temporary absence of any Officer of the Corporation, the Board or (with respect to more junior Officers) the Chief Executive Officer or the Vice Chairman may confer for the duration of such absence the absent Officer's powers and duties, in whole or in part, on such other person(s) as they may specify.

Section 5.04. General Authority, Etc. Each Executive (a) shall have the power and authority to sign contracts, deeds, notes and other instruments and documents in the name of the Corporation and on behalf of the Corporation (subject to the limitations imposed by these By-Laws, the Certificate or Applicable Law and any applicable resolutions of or approvals required from the Board), (b) shall have the power to employ and discharge more junior Officers, employees and agents of the Corporation (except those persons who hold their positions through appointment by the Board), (c) may exercise such powers and perform such duties as may be delegated or assigned to him or her from time to time by the Board or any senior Executive or as may be provided by these By-Laws, the Certificate or Applicable Law, and (d) may in good faith delegate his or her powers to other Executives, Officers, employees and agents under the direct or indirect supervision of such Executive. Each other Officer of the Corporation (i) to the extent authorized by the Board or a more senior Executive, shall have the power to sign contracts, deeds, notes and other instruments and documents in the name and on behalf of the Corporation (subject to the limitations imposed by these By-Laws, the Certificate or Applicable Law and any applicable resolutions of or approvals required from the Board), and (ii) may exercise such powers and perform such duties as may be delegated or assigned to him or her from time to time by the Board or any senior Executive or as may be provided by these By-Laws, the Certificate or Applicable Law. In addition, each Executive or other Officer of the Corporation shall have the authority, relative seniority and duties specifically conferred in the Officer's election or appointment and by these By-Laws, together with the powers and duties reasonably incidental thereto, subject, however, to any limitations contained in such election or appointment, the Certificate, these By-Laws or Applicable Law.

Section 5.05. The Chairman. The Chairman of the Board (the "Chairman") shall be a member of the Board and shall preside at its meetings and at all meetings of stockholders. If there shall be no Chairman, the Vice Chairman (or if such office is vacant, the Chief Executive Officer, or if such office is vacant, the Chief Financial Officer, or if there is no Chief Financial Officer, the most senior President or Vice President) shall act as Chairman until a successor is duly elected, with such powers and duties as may have been held by the former Chairman. The Chairman may be an Officer, Executive and/or employee of the Corporation or not, as the Board in its discretion from time to time may determine. Without limiting the foregoing, the Chairman may be an Officer of the Corporation without being an Executive or employee of it.

Section 5.06. The Vice Chairman. The Vice Chairman of the Board (the "Vice Chairman") shall be a member of the Board and in the absence of the Chairman shall preside at its meetings and at all meetings of stockholders. The Vice Chairman may be an Officer, Executive and/or employee of the Corporation or not, as the Board in its discretion from time to time may determine. Without limiting the foregoing, the Vice Chairman may be an Officer of the Corporation without being an Executive or employee of it.

Section 5.07. The Chief Executive Officer. The Chief Executive Officer of the Corporation (the "Chief Executive Officer") shall, subject to the direction and under the supervision of the Board and its applicable Committees, be the chief executive officer of the Corporation and be responsible for the general and active management of the business of the Corporation and supervision and direction over the other junior Officers, employees and agents of the Corporation. The Chairman (or if such office is vacant, the Vice Chairman) also shall hold the position of Chief Executive Officer unless another individual is specifically elected or appointed by the Board to be the Chief Executive Officer. If there shall be no Chief Executive Officer, the Chairman if an Officer and employee (or if such office is vacant or not an Officer, the Vice Chairman if an Officer and employee, or if such office is vacant or not an Officer, the Chief Financial Officer, or if there is no Chief Financial Officer, the most senior President or Vice President) shall act as Chief Executive Officer until a successor is duly elected or appointed, with such powers and duties as may have been held by the former Chief Executive Officer.

Section 5.08. The Chief Financial Officer. The Chief Financial Officer of the Corporation (the "Chief Financial Officer") shall, subject to the direction and under the supervision of the Board and its applicable Committees, be the chief financial officer of the Corporation and be responsible for the financial books and records of the Corporation and supervision and direction over the Controller (if any) and other financial (including, without limitation, payroll, benefits and accounting) Officers, employees and agents of the Corporation. The Chief Financial Officer also shall hold the position of Treasurer unless another individual is specifically selected to be the Treasurer. Except to the extent that the Board may delegate any of the following duties or responsibilities exclusively to the Treasurer or Controller, the Chief Financial Officer shall:

- (a) have charge of and supervision over and be responsible for the funds, securities, receipts and disbursements of the Corporation;
- (b) cause the moneys and other valuable effects of the Corporation to be deposited in the name and to the credit of the Corporation in such banks or trust companies or with such bankers or other depositories as shall be selected in accordance with these By-Laws or to be otherwise handled in such manner as the Board may direct;
- (c) be empowered to endorse all commercial documents requiring endorsements for or on behalf of the Corporation and sign all receipts and vouchers for payments made to the Corporation;
- (d) be empowered to cause the funds of the Corporation to be disbursed by checks or drafts upon the authorized depositories of the Corporation, and cause to be taken and preserved proper vouchers for all moneys disbursed;
- (e) render to the Board, the Chief Executive Officer or the Vice Chairman, whenever requested, a statement of the financial condition of the Corporation and of all his transactions as Treasurer, Chief Financial Officer or Controller (as applicable);
- (f) cause to be kept at the Corporation's principal office correct books of account of all its business and transactions and such duplicate books of account as he shall determine, and upon request cause such books or duplicates thereof to be exhibited to any director;
- (g) see that the financial reports, statements, certificates and similar documents and records required by Applicable Law (including, without limitation, those required under applicable securities laws) are properly prepared and filed;

- (h) be empowered to require from the Officers or agents of the Corporation reports or statements from time to time giving such information as he may desire with respect to any and all financial transactions of the Corporation;
- (i) be empowered to sign (unless the Treasurer, Secretary or an Assistant Secretary or an Assistant Treasurer shall sign) certificates representing stock of the Corporation, the issuance of which shall have been duly authorized (the signature to which may be a facsimile signature); and
- (j) in general, exercise the powers and perform all duties incident to the office of Chief Financial Officer.

During the absence or disability of the Chief Financial Officer, the Treasurer (or if such office is vacant, the Controller or Assistant Treasurer, or if there are more than one, the one so designated by the Board, the Chief Executive Officer or the Treasurer), may exercise all of the powers and shall perform all of the duties of the Chief Financial Officer.

Section 5.09. The President. The President of the Corporation (the "President") shall, subject to the direction and under the supervision of the Board and its applicable Committees, may also be the Chief Executive Officer and (except to the extent a separate Chief Operating Officer is designated by the Board) shall be the chief operating Officer of the Corporation (the "Chief Operating Officer") and be responsible for the general and active operation of the business of the Corporation and supervision and direction over the other junior Officers, employees and agents of the Corporation. If an Officer and employee of the Corporation, the Chairman (or if such office is vacant, the Vice Chairman) also shall hold the position of President unless and until another individual is specifically selected to be President.

Section 5.10. Senior Executive and other Vice Presidents, Etc. The Board, the Chief Executive Officer or the President from time to time may appoint one or more persons to be one or more Chief Officers of a category (*e.g.*, Operating, Information, Legal, Etc.), General Counsel, Senior Vice Presidents, Executive Vice Presidents and other Vice Presidents of the Corporation, and the Chief Financial Officer from time to time may appoint one or more persons to be one or more financial Vice Presidents or Corporate Controllers of the Corporation, with such titles and relative seniority, authority and duties as may be specified (each a "Vice President"). The Board, the Chief Executive Officer, the President or (in the case of financial Officers only) the Chief Financial Officer from time to time may select one or more persons to be Assistant Vice Presidents of the Corporation, or Vice Presidents whose titles include divisional, functional or other designations (such as Vice President-Sales, etc.), with such titles and relative seniority, authority and duties as may be specified (each an "Assistant Vice President"). A Vice President or Assistant Vice President shall not be considered (or deemed or construed to be) an Officer or Executive unless and until the Board or appropriate Committee determines and approves otherwise.

Section 5.11. Authorized Signatories. The Board, the Chief Executive Officer, the President or (in the case of financial signatories only) the Chief Financial Officer from time to time may select one or more persons to be an authorized signatory for the Corporation with such authority and duties as may be specified (each an "Authorized Signatory"). Subject to the limitations imposed by these By-Laws, the Certificate or Applicable Law, any applicable resolutions of or approvals required from the Board or any applicable Committee, and the scope or limits (if any) contained in his or her appointment (the "Appointment"), an Authorized Signatory (a) shall have the power and authority to sign contracts, deeds, notes and other instruments and documents in the name of the Corporation and on behalf of the Corporation, (b) may exercise such powers and perform such duties as may be delegated or assigned to him or her from time to time by the Board, any Executive or his or her Appointment, (c) may in good faith delegate his or her powers to other persons under the direct or indirect supervision of such Authorized Signatory, and (d) shall have all powers and duties reasonably incidental to the foregoing. An Authorized Signatory shall not be considered (or deemed or construed to be) an Officer or Executive.

Section 5.12. The Secretary. The Secretary of the Corporation (the "Secretary") shall, subject to the direction and under the supervision of the Board, the Chairman and the Vice Chairman, be the secretary of the Corporation and be responsible for the corporate (but not financial) books and records of the Corporation and supervision and direction over those in his or her charge. The Secretary shall:

- (a) record all the proceedings of the meetings of the stockholders, the Board and any Committees in a book or books to be kept for that purpose;
- (b) cause all notice to be duly given in accordance with the provisions of these By-Laws and as required by Applicable Law;
- (c) whenever any Committee shall be appointed in pursuance of a resolution of the Board, furnish the chairman of such Committee with a copy of such resolution;
- (d) be custodian of the records and of the seal of the Corporation, cause such seal to be affixed to all certificates representing stock of the Corporation prior to the issuance thereof, and from time to time to cause such seal to be affixed to all such duly authorized instruments, agreements and other documents as may be necessary or desirable;

- (e) see that the lists, books, reports, statements, certificates and other documents and records required by Applicable Law are properly kept and filed (other than those for which the Chief Financial Officer is responsible);
- (f) have authority over of the stock and transfer books of the Corporation, and at all reasonable times shall cause such stock books (or if maintained by a transfer agent, shall cause the transfer agent to produce such stockholder lists) to such persons as are entitled by statute to have access thereto;
- (g) be empowered to sign (unless the Chief Financial Officer, Treasurer or an Assistant Secretary or an Assistant Treasurer shall sign) certificates representing stock of the Corporation, the issuance of which shall have been duly authorized (the signature to which may be a facsimile signature); and
- (h) in general, exercise the powers and perform all duties incident to the office of the Secretary and such other duties as are given to the Secretary by these By-Laws or as from time to time may be assigned to the Secretary by the Board or the Chief Executive Officer.

During the absence or disability of the Secretary, the Assistant Secretary, or if there is more than one, the one so designated by the Board, the Chief Executive Officer, the Vice Chairman or the Secretary, may exercise all of the powers and shall perform all of the duties of the Secretary.

Section 5.13. Assistant Secretaries. The Board, the Chief Executive Officer or the Secretary from time to time, in writing or by resolution, may select one or more persons to be Assistant Secretaries of the Corporation, with titles and such relative seniority, authority and duties as may be specified (each an "Assistant Secretary"). The Board, the Chief Executive Officer or the Secretary from time to time, in writing or by resolution, may delegate or assign any or all of the powers and duties of the Secretary, and to the extent so delegated or assigned, those Officers (in such capacities) shall carry with them the corresponding powers and duties of the Secretary. An Assistant Secretary shall not be considered (or deemed or construed to be) an Executive unless and until the Board or appropriate Committee determines otherwise.

Section 5.14. The Treasurer. The Treasurer of the Corporation (the "Treasurer") shall, subject to the direction and under the supervision of the Board, the Chairman, the Vice Chairman and the Chief Financial Officer, be the treasurer of the Corporation and be responsible for the supervision and direction over those in his or her charge. Except to the extent that the Board, the Chairman or the Vice Chairman may delegate any of the following duties or responsibilities exclusively to the Chief Financial Officer or Controller, the Treasurer shall:

- (a) cause the moneys and other valuable effects of the Corporation to be deposited in the name and to the credit of the Corporation in such banks or trust companies or with such bankers or other depositories as shall be selected in accordance with these By-Laws or to be otherwise handled in such manner as the Board may direct;
- (b) be empowered to endorse all commercial documents requiring endorsements for or on behalf of the Corporation and sign all receipts and vouchers for payments made to the Corporation;
- (c) be empowered to cause the funds of the Corporation to be disbursed by checks or drafts upon the authorized depositories of the Corporation, and cause to be taken and preserved proper vouchers for all moneys disbursed;
- (d) render to the Board, the Chairman, the Vice Chairman, the Chief Executive Officer, the President or the Chief Financial Officer, whenever requested, a statement of all his transactions as Treasurer;
- (e) cause to be kept at the Corporation's principal office correct books of account of all its business and transactions and such duplicate books of account as he shall determine, and upon request cause such books or duplicates thereof to be exhibited to any director;
- (f) be empowered to sign (unless the Secretary or an Assistant Secretary or an Assistant Treasurer shall sign) certificates representing stock of the Corporation, the issuance of which shall have been duly authorized (the signature to which may be a facsimile signature); and
- (g) in general, exercise the powers and perform all duties incident to the office of Treasurer and such other duties as are given to the Treasurer by these By-Laws or as from time to time may be assigned to the Treasurer by the Board, the Chairman, the Vice Chairman, the Chief Executive Officer, the President or the Chief Financial Officer.

During the absence or disability of the Treasurer, the Chief Financial Officer (or if such office is vacant, the Controller or Assistant Treasurer, or if there are more than one, the one so designated by the Board, the Chief Executive Officer or the Treasurer), may exercise all of the powers and shall perform all of the duties of the Treasurer.

Section 5.15. The Controller. The Controller of the Corporation (the "Controller") shall, subject to the direction and under the supervision of the Board, the Chairman, the Vice Chairman and the Chief Financial Officer, be the Controller of the Corporation and be responsible for the supervision and direction over those in his or her charge. The Controller may be an Officer and/or Executive of the Corporation, but only if so determined by the Board in its discretion (which determination shall be presumed to be limited to the then current Controller unless otherwise specified by the Board).

Section 5.16. Assistant Treasurers. The Board, the Chairman, the Vice Chairman, the Chief Executive Officer, the Chief Financial Officer or the Treasurer from time to time may appoint one or more persons to be Assistant Treasurers of the Corporation, with such titles and relative seniority, authority and duties as may be specified (each an "Assistant Treasurer"). The Board, the Chairman, the Vice Chairman, the Chief Executive Officer, the Chief Financial Officer or the Treasurer from time to time may delegate or assign to such persons any or all of the powers and duties of the Chief Financial Officer or Treasurer that may be delegated by them, and to the extent so delegated or assigned, those Officers (in such capacities) shall carry with them the corresponding powers and duties so delegated. An Assistant Treasurer shall not be considered (or deemed or construed to be) an Executive unless and until the Board or appropriate Committee determines otherwise.

Section 5.17. Compensation of Officers. Officers shall receive such reasonable compensation for their services as Officers, whether in the form of a salary or otherwise, as may be determined from time to time by the Board or the Chief Executive Officer, but this power may be delegated by the Board or the Chief Executive Officer to any Officer with respect to any other Officer under the supervision of or otherwise junior to such person.

Section 5.18. Surety Bonds. No Executive, other Officer, employee or agent of the Corporation shall be required to provide to the Corporation any bond other form of credit support from any surety respecting the faithful discharge of his or her duties, including (without limitation) respecting any negligence or the accounting for any property, funds or securities of the Corporation that may come into his or her hands, except in each case as and to the extent the Board or an appropriate Committee may from time to time specifically require such a bond or other credit support.

ARTICLE VI.

INDEMNIFICATION

Section 6.01. Certain Defined Terms.

(a) "DGCL" shall mean the General Corporation Law of the State of Delaware, as the same currently exists and from time to time hereafter may be amended or restated, and any succeeding statute, but in the case of any such amendment or succeeding statute, only to the extent that it permits the Corporation to provide broader indemnification rights than such law permitted the Corporation to provide prior to such amendment.

(b) "Entity" shall mean any association, business trust, company, corporation, employee benefit plan, estate, governmental authority, group (including, without limitation, one under Section 13(d)(3) of the Securities Exchange Act of 1934, as amended), joint venture, limited liability company, partnership, syndicate, trust or other entity or enterprise.

(c) "Expenses" shall mean the reasonable fees, disbursements and expenses of attorneys and other necessary professionals representing the Indemnitee in any Proceeding, provided that such attorneys and professionals are permitted under Section 6.04 hereof and have been approved in advance by the Corporation, which approval shall not be unreasonably withheld or delayed by the Corporation; and provided further that to the extent covered by insurance, the selection of such attorneys and other professionals shall be made in accordance with the applicable policies. Expenses shall not include any amounts attributable to services performed prior to the Corporation's receipt of the Indemnitee's written request for such approval unless the Board in its discretion consents otherwise.

(d) "Final Decision" shall mean with respect to a particular issue any (i) final decision of such issue pursuant to Applicable Law of a court, other governmental official or arbitrator having proper substantive and personal jurisdiction and venue from which there is no further right to appeal, or (ii) final settlement of such issue in a written settlement agreement approved by the Board, as the case may be. A Proceeding may involve more than one issue, and whether the Indemnitee has met the applicable standards of Proper Conduct shall be deemed to be a separate issue from the existence or amount of any Losses or Expenses.

(e) "Indemnitee" shall mean (i) any person who is or was a director of the Corporation or an Executive, Chairman, Vice Chairman, Vice President, Assistant Vice President or Authorized Signatory of the Corporation or any of its subsidiaries (meaning any Officer so designated in these By-Laws or in such Officer's appointment), (ii) any person who is serving or served as a director or executive Officer of an affiliate of the Corporation at the request of the Corporation, or (iii) any other Officer or Representative of the Corporation or any subsidiary designated in writing from time to time by the Board or by agreement with the Corporation as being entitled to Indemnification Rights, whether serving in such capacity or serving at the request of the Corporation as a Representative of (A) any direct or indirect subsidiary or affiliate of the Corporation or (B) any other Entity.

(f) "Indemnification Rights" shall mean the rights of each Indemnitee to be defended, to be indemnified, reimbursed and held harmless from and against Losses and Expenses, and to receive advances of Expenses, in each case as, to the extent and under the circumstances specifically provided in this Article.

(g) "Losses" shall mean any and all losses, damages, liabilities, payments, settlements, judgments, awards, fines, penalties, fees, charges or costs, in each case to the extent determined in a Final Decision, but excluding any and all Expenses.

(h) "Proceeding" shall mean any action, suit, arbitration, mediation, investigation or other proceeding, whether civil, criminal, administrative or investigative, whether pending, threatened or otherwise.

(i) "Proper Conduct" shall mean any action or conduct of the Indemnitee if all of the following are true with respect thereto: (i) the Indemnitee acted in good faith, (ii) the Indemnitee acted in a manner the Indemnitee reasonably believed to be in or not opposed to the best interests of the Corporation and its subsidiaries and affiliates, (iii) with respect to any criminal Proceeding, the Indemnitee had no reasonable cause to believe such action or conduct was unlawful, and (iv) such action or conduct does otherwise disqualify the Indemnitee from receiving indemnification under the DGCL.

(j) "Reimbursement Agreement" shall mean an unconditional agreement or other undertaking in favor of the Corporation from an Indemnitee to promptly repay the Expense Advances if, when and to the extent determined in a Final Decision that such Indemnitee is not entitled to be indemnified for such Expenses under this Article or otherwise.

(k) "Representative" shall mean any shareholder, partner, equity holder, member, director, Officer, manager, employee, consultant, agent, accountant, advisor or other representative of the referenced person.

Section 6.02. Persons Indemnified. The Indemnification Rights granted under this Article apply to each Indemnitee who was or is made a party or who is threatened to be made a party to or who is otherwise involved in any Proceeding by reason of the Indemnitee's position with the Corporation or any of its subsidiaries or with any other Entity (including, without limitation, any affiliate of the Corporation) at the request of the Corporation, in each case irrespective of whether the basis of such proceeding is alleged action in any such official capacity, in any other capacity while serving in any such official capacity or otherwise.

Section 6.03. Notice of Proceeding. If any Proceeding is commenced, asserted or overtly threatened against an Indemnitee in respect of which a claim or demand may be sought against the Corporation under this Article, the Indemnitee shall give written notice thereof to the Corporation as promptly as reasonably practicable thereafter; provided, however, that an Indemnitee's failure to give such notice shall not relieve or otherwise affect the Indemnification Rights of such Indemnitee except to the extent the Corporation's ability to defend such Proceeding is materially prejudiced thereby (e.g., expiration of time periods to defend, etc.).

Section 6.04. Defense Counsel. The Corporation shall have the right to engage counsel to defend itself, its subsidiaries and affiliates and all applicable Indemnitees in any common Proceeding, and the Corporation shall directly pay the Expenses of such counsel. In such case, each Indemnitee shall enter into a common defense agreement with the Corporation in form and substance reasonably acceptable to all parties. However, an Indemnitee or group of Indemnitees shall have the right to engage separate counsel approved by the Corporation (which approval will not be unreasonably withheld or delayed) in any covered Proceeding if counsel to the Corporation or such Indemnitee(s) advises the Corporation in writing that, in the professional judgment of such counsel, (a) one or more legal defenses or counterclaims may be reasonably available to such Indemnitee(s) and reasonably could be inconsistent with, different from or additional to those available to such other parties, or (b) use of counsel selected by the Corporation could reasonably be expected to give rise to a conflict of interest. Notwithstanding the preceding portions of this Section, if the Losses and Expenses could reasonably be expected to be covered by insurance, counsel shall be selected in accordance with the applicable insurance policies.

Section 6.05. Right to Indemnification, Etc. Except as otherwise provided in this Article, to the fullest extent authorized by DGCL, each Indemnitee shall be indemnified, reimbursed and held harmless by the Corporation from and against any and all Losses and Expenses actually and reasonably incurred or suffered by such Indemnitee in connection with any Proceeding or portion thereof by reason of the Indemnitee's position with the Corporation or any of its subsidiaries or with any other Entity (including, without limitation, any affiliate of the Corporation) at the request of the Corporation, except in each case to the extent determined in a Final Decision to be attributable to any action or conduct of the Indemnitee other than Proper Conduct. However, if such Proceeding or portion thereof has been brought by or in the right of the Corporation (including, without limitation, any derivative suit), such Indemnitee shall not be indemnified, reimbursed or held harmless under this Article in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Delaware Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such Indemnitee is fairly and reasonably entitled to indemnity for such Losses and Expenses as the Delaware Court of Chancery or such other court shall deem proper.

Section 6.06. Right to Advancement of Expenses. The Indemnification Rights of each Indemnitee shall include the right to have the Corporation advance the Expenses actually and reasonably incurred in defending any Proceeding in advance of its final disposition ("Expense Advances"); provided, however, that the Indemnitee shall execute and deliver a Reimbursement Agreement to and with the Corporation if and to the extent the DGCL requires such a Reimbursement Agreement under the circumstances. The Corporation shall not require collateral or other security or the support of any spouse or other surety (whether by co-signature, endorsement or otherwise) for any of the Indemnitee's obligations under any such Reimbursement Agreement.

Section 6.07. Determination of Right to Indemnification. Any indemnification or reimbursement under this Article (unless otherwise ordered in a Final Decision by a court on such issue) shall be made by the Corporation only as authorized respecting a specific Proceeding upon a determination by the Corporation (as provided in this Section) that indemnification and reimbursement of the Indemnitee by the Corporation is proper under the circumstances, including (without limitation) a determination that the Indemnitee has met the applicable standards of Proper Conduct. Such determination by the Corporation shall be made (i) by the Board through the majority vote of the directors who are or were not parties to such Proceeding, even though less than a quorum, (ii) by a committee of such disinterested directors designated by a majority vote of such disinterested directors, even though less than a quorum, (iii) by independent legal counsel in a written opinion if (A) there are no such disinterested directors, or (B) such disinterested directors so direct, or (iv) by the stockholders of the Corporation.

Section 6.08. Indemnification on Success. Notwithstanding anything to the contrary in this Article, to the extent that an Indemnitee has been successful (on the merits or otherwise) in any Final Decision in defense of any Proceeding covered by this Article, the Indemnitee shall in any event be indemnified and reimbursed for and against all Losses and Expenses actually and reasonably incurred by such Indemnitee in connection therewith

Section 6.09. Payment Claims to Recover Losses and Expenses. If and to the extent the Indemnitee owes any unpaid Losses or Expenses for which the Corporation is responsible under this Article, the Indemnitee may request that the Corporation pay such Losses and Expenses directly to the applicable persons. If and to the extent the Indemnitee has directly paid any Losses or Expenses for which the Corporation is responsible under this Article, the Indemnitee may request that the Corporation reimburse the Indemnitee for such payments. The Indemnitee shall request such payments through delivery of a written notice to the Corporation, together with supporting documentation reasonably evidencing the amounts of such Losses, Expenses and payments (each a "Payment Claim"). The Corporation shall promptly comply with any valid Payment Claim or (to the extent applicable) request its insurer to do so.

Section 6.10. Suits Brought by an Indemnitee. Except as provided in Section 6.11 of this Article, the Indemnification Rights of any Indemnitee shall not apply to any Proceeding (or part thereof) initiated by such Indemnitee unless such Proceeding (or part thereof) was approved by the Board in advance. In the case of a compulsory counterclaim required to be initiated by the Indemnitee, the Corporation agrees that such approval will not be unreasonably withheld or delayed but may require some reasonable sharing of Expenses in the event the Indemnitee recovers any Losses pursuant to such counterclaim.

Section 6.11. Suits on Payment Claims, Etc. If a valid Payment Claim by an Indemnitee under of this Article is not paid or satisfied in full by the Corporation within sixty (60) days after such claim has been received by the Corporation, the Indemnitee may at any time thereafter bring suit against the Corporation to enforce the direct payment or recover the unpaid reimbursement of the Payment Claim, as the case may be.

Section 6.12. Indemnification Enforcement Expenses. If an Indemnitee is successful in whole or in part (a) in any suit by the Indemnitee for a Payment Claim, or (b) in defending a suit brought by the Corporation to recover Expense Advances pursuant to a Reimbursement Agreement, the Indemnitee also shall be entitled to be paid the Indemnitee's court costs and reasonable attorney's fees, disbursements and expenses in prosecuting or defending any such suit, subject to the other provisions of this Article and the DGCL.

Section 6.13. Indemnitee's Proper Conduct. The Indemnification Rights of each Indemnitee are each subject to the Indemnitee's satisfaction of the applicable standards of Proper Conduct. In any suit for any Payment Claim (other than for Expense Advances), the Corporation shall have available to it the defense that the Indemnitee has not met the applicable standards of Proper Conduct. In any suit brought by the Corporation to recover any Expenses Advances pursuant to a Reimbursement Agreement or Applicable Law, the Corporation shall be entitled to recover such Expense Advances upon a Final Decision that the Indemnitee has not met the applicable standards of Proper Conduct. An Indemnitee shall not be presumed in any such suit to have either satisfied or failed to satisfy the applicable standards of Proper Conduct as a result of any determination or non-determination thereof by the Corporation, its Board, Executives or other representatives, any of its stockholders or its independent legal counsel. In any such suit, the burden of proving that the Indemnitee has not met the applicable standards of Proper Conduct shall be on the Corporation.

Section 6.14. Continuation of Rights. The Indemnification Rights of each Indemnitee shall continue in full force and effect with respect to and for the benefit of any person who has ceased to be a director, Officer, employee or agent of or at the direction of the Corporation and shall inure to the benefit of the heirs, executors, administrators and other legal representatives of such person.

Section 6.15. Non-Exclusivity of Rights. The Indemnification Rights of each Indemnitee shall not be exclusive of any other right that any Indemnitee, Representative or other person may have or hereafter acquire under any statute, the Corporation's Certificate of Incorporation, these By-Laws, any employment or other agreement, any vote of stockholders or disinterested directors, or otherwise.

Section 6.16. Insurance. The Corporation shall have the right in its discretion to from time to time purchase, maintain, modify and surrender directors and Officers liability and other insurance, in each case from such insurers, in such amounts, upon such terms and conditions, and subject to such deductions, in order to protect itself or to directly or indirectly protect any director, Officer, employee or agent of the Corporation or another Entity against any expense, liability or loss whatsoever, whether or not the Corporation would have the obligation or power to indemnify such person against such expense, liability or loss under this Article or the DGCL.

Section 6.17. Indemnification of Officers, Employees and Agents of the Corporation: Without in any way limiting its right, power or authority under Applicable Law to grant any indemnity, the Corporation may, to the extent authorized from time to time by the Board in its discretion, grant rights to defense, indemnification, reimbursement and the advancement of expenses by the Corporation to any Officer, employee or agent of the Corporation or other Entity up to the maximum extent permitted for any Indemnitee by this Article, the DGCL and other Applicable Law.

Section 6.18. Savings Clause. If this Article or any provision hereof shall be finally determined to be superseded, invalid, illegal or otherwise unenforceable pursuant to Applicable Law by a court having proper jurisdiction and venue, then the Corporation shall nevertheless, to the fullest extent permitted by the remaining provisions (if any) of this Article (i.e., those not so determined to be superseded, invalid, illegal or otherwise unenforceable) and (subject to such remaining provisions) the DGCL, indemnify, reimburse and hold harmless each Indemnitee from and against any and all Losses and Expenses actually and reasonably incurred or suffered by such Indemnitee in connection with any Proceeding or portion thereof by reason of the Indemnitee's position with the Corporation or with any other Entity at the request of the Corporation, except in each case to the extent determined in a Final Decision to be attributable to any action or conduct of the Indemnitee other than Proper Conduct.

Section 6.19. Changes in Indemnification Rights. The Indemnification Rights may be changed at any time and from time to time through a change in these By-Laws, all without notice to or the approval of any Indemnitee; provided that except as otherwise required by or reflecting a change in the DGCL, any change eliminating or diminishing any of the Indemnification Rights shall apply prospectively only, and no change shall eliminate or diminish any Indemnification Rights with respect to any Proceeding involving any Indemnitee (a) threatened or commenced prior to such change or (b) based on any event or circumstance that occurred prior to such change.

Section 6.20. Contractual and Beneficial Rights. The Indemnification Rights under this Article shall be deemed to be contractual rights for the benefit of, and are expressly intended to benefit, each the Indemnitee, each of whom may enforce any such provisions directly as provided in this Article.

ARTICLE VII.

SHARES

Section 7.01. Certificates. The shares of the Corporation shall be represented by certificates in such form as from time to time may be approved by the Board and signed by the Chairman, Vice Chairman, Chief Executive Officer, the President or any Vice President, and by the Secretary, Assistant Secretary, Chief Financial Officer, Treasurer or Assistant Treasurer, and sealed with the seal of the Corporation, which signatures and seal, to the extent permitted by Applicable Law, may be facsimiles. The Board of Directors also may provide by resolution or resolutions that some or any or all classes or series of the Corporation's stock shall be uncertificated shares. However, any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation, and every holder of stock in the Corporation shall be entitled to have a certificate for shares of stock evidencing such holder's interest in the Corporation notwithstanding the applicability of any such resolution. Except as otherwise provided by law, the rights and obligations of the holders of uncertificated stock and the rights and obligations of the holders of certificates representing stock of the same class and series shall be identical. The certificates shall be numbered consecutively and in the order in which they are issued. Each certificate shall state the registered holder's name, the number and class of shares represented thereby, the date of issue, and the par value of such shares (or that they are without par value if such is the case).

Section 7.02. Use of Pre-Signed Certificates. The Corporation from time to time may issue Certificates that have been previously signed by or imprinted with the facsimile signature of any Officer, transfer agent or registrar of the Corporation. In the event any Certificate(s) shall have been previously signed by or imprinted with the facsimile signature of any Officer, transfer agent or registrar of the Corporation who subsequently ceases to act as such, the Corporation nevertheless may thereafter use and issue such Certificate(s), with the same effect as if the signer were still such Officer, transfer agent or registrar at the date of issuance, until such time as its supply of such previously signed or imprinted Certificate(s) has been exhausted.

Section 7.03. Subscriptions. Subscriptions to shares of the Corporation's stock, if any, shall be paid at such times and in such installments as the Board may determine.

Section 7.04. Transfer of Shares. Subject to applicable law and restrictions or limitations on the transfer, registration or ownership of any shares, the shares of the Corporation shall be assignable and transferable on the books and records of the Corporation only by the registered owner, or by his duly authorized attorney, and only upon surrender of the certificate for such shares duly and properly endorsed with proper evidence of authority to transfer and payment of all applicable transfer taxes thereon. The Corporation shall issue a new certificate or evidence of the issuance of uncertificated shares to the stockholder entitled thereto, cancel the old certificate and record the transaction upon the Corporation's books or, in the case of uncertificated shares, upon the receipt of proper transfer instructions of uncertificated shares and the payment of all applicable taxes thereon, such uncertificated shares shall be cancelled, issuance of new equivalent certificated shares or certificated shares shall be made to the stockholder entitled thereto and the transaction shall be recorded on the books of the Corporation; provided that the Board in its discretion may reasonably refuse to issue such new certificate or evidence of the issuance of uncertificated shares without the order of a Court having jurisdiction in such matters or suitable indemnification.

Section 7.05. Returned Certificates. All certificates for shares changed or returned to the Corporation for transfer shall be marked by the Secretary, transfer agent or registrar as "CANCELLED", together with the date of cancellation, and the transaction shall be recorded in the stock transfer books of the Corporation and (if applicable) in the certificate book opposite the memorandum of their issue. The returned certificate may be inserted in the stock books of the Corporation.

Section 7.06. Lost Stock Certificates. Any stockholder claiming that his certificate for shares of the Corporation has been lost, stolen, destroyed or mutilated (a "Lost Stock Certificate") may obtain a replacement certificate by (i) submitting a sworn statement of that fact to the Board (together with any mutilated certificate) and (ii) giving to the Corporation such bond or indemnity as may be required by the Board (in such form, substance and amount and with such sureties as shall be satisfactory to the Board), if any, and taking such other reasonable action as the Board in its sole and absolute discretion may require; and if the stockholder shall have satisfied these conditions, the Board shall approve and the appropriate Officers shall effect the issuance of a replacement certificate in lieu of the Lost Stock Certificate.

Section 7.07. Notice of Uncertificated Shares. Within a reasonable time after the issuance or transfer of uncertificated stock, the Corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates pursuant to section 151(f), 156, 202(a) or 218(a) of the DGCL, including restrictions or limitations on the transfer, registration or voting of such share.

Section 7.08. Powers, Designations, Preferences. If the Corporation shall be authorized to issue more than one class of stock or more than one series of any class, the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate that the Corporation shall issue to represent such class or series of stock. However, except as otherwise provided in Section 202 of the DGCL, in lieu of the foregoing requirements, there may be set forth on the face or back of the stock certificate a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating or optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. In the case of uncertificated shares, pursuant to §151(f) of the DGCL, the notice contemplated in this paragraph shall be sent to the registered owner of such shares and shall contain a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

ARTICLE VIII.

RECORD DATES AND DIVIDENDS

Section 8.01. Record Dates. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board from time to time may fix, in advance, a record date, which shall be not less than ten (10) days or more than sixty (60) days before the date of the proposed meeting or other action. Only those stockholders of record on the date so fixed shall be entitled to any of the foregoing rights, notwithstanding the transfer of any such stock on the books of the Corporation after such record date fixed by the Board. If no record date is fixed by the Board:

- (a) The record date for determining stockholders entitled to notice of or to vote at a meeting of the stockholders shall be at the close of business on the date next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held;
- (b) The record date for determining stockholders entitled to authorize corporate action in a particular written consent without a meeting shall be (i) if preceded by a Board action, the day on which such action was taken, or (ii) in any other cases, the day on which the first stockholder signs such written consent; and
- (c) The record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board adopts the resolution relating thereto.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for the adjourned meeting.

Section 8.02. Dividends. The Board at any regular or special meeting may declare dividends payable out of the surplus of the Corporation whenever in the exercise of its discretion they may deem such declaration advisable. Such dividends may be paid in cash, property, or shares of the Corporation.

ARTICLE IX.

MISCELLANEOUS CORPORATE POWERS AND RESTRICTIONS

Section 9.01. Execution of Instruments Generally. Subject to such approval of the Board as may be required under the circumstances (if any), and except as otherwise provided by the Certificate, these By-Laws or Applicable Law, the Chairman, Vice Chairman, Chief Executive Officer, Chief Financial Officer, President, Secretary or Treasurer from time to time may enter into any contract or execute and deliver any instrument in the name and on behalf of the Corporation and may authorize and direct any other Officer(s) or agent(s) to do so. Except as otherwise provided by Applicable Law or the Certificate, the Board may authorize any Officer(s) or agent(s) to enter into any contract or execute and deliver any instrument in the name and on behalf of the Corporation. Any such authorization may be general or confined to specific instances and may be exclusive to one or more Officers or other persons.

Section 9.02. Transactions with Interested Parties. No contract or transaction between the Corporation and one or more of its stockholders, directors, Officers or employees, or between the Corporation and any other corporation, partnership, association or other entity in which one or more of the Corporation's stockholders, directors, Officers or employees are stockholders, directors, Officers or employees or otherwise have a financial interest, shall be void or voidable solely for this reason, or solely because the stockholder, director, Officer or employee is present at or participates in the meeting of the Board or a Committee thereof authorizing the contract or transaction, or solely because his or their votes are counted for such purpose, if:

- (a) the material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the Board or such Committee, and the Board or such Committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum;

- (b) the material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders;
- (c) the contract or transaction is fair to the Corporation as of the time it is authorized, approved or ratified by the Board, a Committee thereof or the stockholders; or
- (d) the contract or transaction is otherwise permissible under Applicable Law.

Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board or a Committee thereof authorizing the contract or transaction.

Section 9.03. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to its credit in such banks, trust companies or other financial institutions or depositories as the Board, Chairman, Vice Chairman, Chief Executive Officer, President or Chief Financial Officer may select, or as may be selected by any Officer or Officers or agent or agents authorized so to do by the Board, Chairman, Vice Chairman, Chief Executive Officer, President or Chief Financial Officer. Endorsements for deposit to the credit of the Corporation in any of its duly authorized depositories shall be made in such manner as the Board, Chairman, Vice Chairman, Chief Executive Officer, President or Chief Financial Officer from time to time may determine.

Section 9.04. Checks, Notes, Etc. All checks, drafts or other orders for the payment of money and all notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such Officer(s), employee(s) or agent(s) of the Corporation, and in such manner, as from time to time shall be determined by the Board, the Chairman, the Chief Executive Officer, the Vice Chairman or the Chief Financial Officer.

Section 9.05. Proxies. Proxies to vote the shares of stock of other corporations owned of record or beneficially by the Corporation may be executed and delivered from time to time on behalf of the Corporation by any Executive or by any other person or persons thereunto authorized by the Board or any Executive. Any Executive may instruct any subordinate person or persons so appointed as to the manner of exercising such powers and rights, and may execute or cause to be executed in the name and on behalf of the Corporation and under its Corporate Seal or otherwise, all such written proxies, powers of attorney or other written instruments as he may deem necessary in order that the Corporation may exercise such powers and rights.

Section 9.06. Fiscal Year. The fiscal year of the Corporation shall be the twelve (12) month period ending December 31 of each year or such other period as shall be determined by the Board.

Section 9.07. Corporate Seal. The corporate seal shall be circular in form and shall bear the name of the Corporation and words and figures denoting its organization under the laws of the State of Delaware and the year thereof and otherwise shall be in such form as shall be approved from time to time by the Board.

ARTICLE X.

AMENDMENTS AND INTERPRETATION

Section 10.01. Amendments. These By-Laws may be amended, restated, replaced or repealed, and amended, restated or new By-Laws may be adopted, in whole or in part, (a) by action of the stockholders of the Corporation, or (b) by action of the Board. Any provision adopted by such stockholders or Board may be amended or repealed from time to time by the Board or stockholders, respectively.

Section 10.02. Notices, Electronic Messages, Copies, Etc. Any notice, proxy, request, demand or other document or communication required or permitted under these By-Laws may be sent by: (a) cable, email (including any attachment thereto), fax, internet, network posting, S.W.I.F.T. wire telex, tested telex, or other electronic transmission (each an "Electronic Delivery"), provided that an Electronic Delivery can only be used for a notice to a stockholder (in his or her capacity as stockholder) to the extent permitted by the DGCL (which among other things currently requires that such stockholder has consented to the specific contemplated form of Electronic Delivery in accordance with the DGCL); or (b) U.S. Mail, national overnight courier, messenger or other means of physical delivery ("Physical Delivery"). A copy (including, without limitation, the printout of any item retained in reproducible form in any computer or other technological storage) of any document or communication may be substituted for the original for any purpose for which the original document or communication could be used if on its face it appears to be a reasonably complete reproduction of the entire original document or communication.

Section 10.03. Number and Gender. Each definition in these By-Laws of a singular capitalized term or other word or phrase also shall apply to the plural form of such term, word or phrase, and vice versa, and all references in these By-Laws to the neuter gender shall be deemed to include reference to the feminine or masculine gender, and vice versa, and to a singular pronoun shall be deemed to include a reference to the plural variation thereof, and vice versa, in each case as the context may permit or require.

Section 10.04. Section and Other Headings. The table of contents (if any), section and other headings contained in these By-Laws are for reference purposes only and shall not affect the meaning or interpretation of these By-Laws.

Section 10.05. Severability. In case any one or more of the provisions contained in these By-Laws shall be finally determined to be superseded, invalid, illegal or otherwise unenforceable pursuant to Applicable Law by a court or other governmental authority having jurisdiction and venue, that determination shall not impair or otherwise affect the validity, legality or enforceability (a) by or before that authority of the remaining terms and provisions of these By-Laws, which shall be enforced as if the unenforceable term or provision were deleted, or (b) by or before any other court or governmental authority of any of the terms and provisions of these By-Laws.

Section 10.06. Conflicting Provisions of the Certificate of Incorporation and Applicable Law. The terms and provisions of these By-Laws are each subject to the relevant terms and provisions of the Certificate and Applicable Law, and in the event that any term or provision of these By-Laws conflicts or is inconsistent with any term or provision of the Certificate or Applicable Law, the term or provision of the Certificate or Applicable Law shall control and be given effect.

Section 10.07. Applicable Law. These By-Laws shall be governed by and construed in accordance with (a) the DGCL and any other applicable law of the State of Delaware or the United States of America, including (without limitation) (i) any state or other governmental law, statute, ordinance, rule, regulation, requirement or restriction applicable to these By-Laws or the Corporation's governance, (ii) any judicial, administrative or other governmental order, injunction, writ, judgment, decree, ruling, finding or other directive applicable to these By-Laws or binding upon the Corporation's governance, and (iii) common law or other legal precedent applicable to these By-Laws or binding upon the Corporation's governance, and (b) any charter, rule, regulation or other organizational or governance document of any national securities exchange or market in which the shares of the Corporation are traded or other self-regulatory or governing body or organization applicable to the Corporation; in each case as the same may be adopted, supplemented, modified, amended, restated or replaced from time to time or any corresponding or succeeding provisions thereof (all of the foregoing in this Section will be referred to collectively as "Applicable Law").

Section 10.08. Non-Exclusive Provisions. It is intended that the rights, powers, privileges and duties (if any) of the Corporation or the stockholders, directors or Officers of the Corporation set forth in the Certificate or these By-Laws are in addition to and shall not limit (except as otherwise expressly provided in the Certificate or these By-Laws) any other applicable right, power, privilege or duty (if any) under the Certificate, these By-Laws, any Committee Charter or Applicable Law.

**2018 STOCK COMPENSATION PLAN
OF
SPAR GROUP, INC.**

Effective as of May 2, 2018

Section 1. Approval and Purposes of this Plan. (a) In addition to the definitions contained in various Sections below, certain definitions and interpretations applicable to this Plan are set forth below in Sections 26 and 27, respectively. Capitalized terms used and not otherwise defined herein shall have the meanings respectively assigned to them in the SGRP By-Laws.

(b) SPAR Group, Inc., a Delaware corporation ("**SGRP**" or the "**Corporation**"), through the action of its Board of Directors (the "**Board**") on April 10, 2018, authorized, approved and established this 2018 Stock Compensation Plan of SPAR Group, Inc. (as the same may be supplemented, modified, amended or restated from time to time in the manner provided herein, this "**Plan**"), for submission to the stockholders of the Corporation at their annual meeting on May 2, 2018, and effective upon the approval of this Plan by the stockholders of the Corporation at that meeting (or, if later, within no more than one year after such Board approval) in accordance with applicable Exchange Rules and other Applicable Law (the "**Effective Date**").

(c) This Plan is intended to provide an incentive to selected employees, officers and directors of each SGRP Company and each SGRP Consultant, and to offer an additional inducement in obtaining the services of such individuals. This Plan provides for the grant of equity compensation awards (each an "**Award**") in, to or otherwise respecting shares of the Corporation's Common Stock, par value \$.01 per share (the "**Common Stock**"), in the form of (i) "incentive stock options" within the meaning of Section 422 of the Code (as defined in Section 26) as described in Section 5 ("**ISOs**"), (ii) nonqualified stock options that do not qualify as ISOs as described in Section 5 ("**NQSOs**"), (iii) stock appreciation rights as described in Section 6 ("**SARs**"), (iv) restricted stock as described in Section 7 ("**Restricted Stock**"), and (v) restricted stock units as described in Section 8 ("**RSUs**"), in each case to the greatest extent permitted by this Plan and Applicable Law. The Corporation makes no representation or warranty, express or implied, as to the qualification of any option as an "incentive stock option" under the Code. Each reference to a consultant in this Plan shall be deemed to include each of the consultant's employees in the case of a consultant that is not a natural person.

(d) This Plan amends, restates, supercedes and replaces the 2008 Plan (which in turn replaced the 2000 and 1995 Plan, as such terms are defined in Section 26 hereof) for new Awards granted on and after the Effective Date. All Awards issued at any time under the 2008 Plan (in each case other than to the extent exercised in the case of any option or SAR or end of the applicable vesting or similar restrictions in the case of Restricted Stock or RSUs), 2000 Plan or 1995 Plan and still outstanding on the Effective Date ("**Continuing Awards**"), respecting the covered shares of the Corporation's Common Stock ("**Continuing Award Shares**"), shall continue to be governed by such plans, as applicable, except that those Continuing Awards may be modified as provided in Section 12 hereof as if they were Awards hereunder to the extent the provisions respecting adverse modifications in those plans are not violated by such modification.

Section 2. Stock Subject to this Plan. (a) Subject to adjustment under and the other provisions of Sections 11 and 12, the Corporation from time to time may grant new options (including ISOs), SARs, Restricted Stock, RSUs and other Awards under this Plan ("**New Awards**") to, in or otherwise respecting its Common Stock ("**New Award Shares**") so long as the New Award Shares covered by each proposed New Award or group of New Awards in the aggregate do not at the time of the proposed issuance exceed the remaining unused availability for New Award Shares under this Plan (the "**Remaining Availability**"). The Remaining Availability at a particular calculation time shall be equal to the remainder of the following: (i) 600,000 shares; minus (ii) the sum at the calculation time of the cumulative aggregate number of New Award Shares covered by Awards issued under this Plan on and after the Effective Date (including all options to acquire Common Stock and SARs, RSUs payable in Common Stock or Restricted Stock issued pursuant to this Plan).

(b) The Corporation shall at all times during the term of this Plan reserve and keep available such number of shares of Common Stock as will be sufficient to satisfy the Awards issued under and the other requirements of this Plan. Such shares of Common Stock may, in the discretion of the Board, consist either in whole or in part of authorized but unissued shares of Common Stock or shares of Common Stock held in the treasury of the Corporation. No fractional shares of Common Stock shall be issued or purchased under this Plan.

(c) Notwithstanding any other provisions of the Plan, substitute awards as provided for under Section 17 hereof shall not be counted against or otherwise reduce the number of shares available for future issuance under the Plan. In addition, if a Constituent Corporation has shares available under a pre-existing plan approved by stockholders and not adopted in contemplation of an 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 available for future issuance under the Plan. Awards using such available shares under acquired plans shall not be made after the date awards could have been made under the terms of the acquired plan, absent the acquisition or combination, and shall only be made to individuals who were not eligible to participate in the Plan prior to such acquisition or combination.

Section 3. Administration of this Plan; Administrators' Authority and Discretion, No Liability, Minimum Vesting Periods, Etc. (a) This Plan will be administered under the authority of the Compensation Committee of the Board of Directors of the Corporation as provided in its Charter or such other standing committee of the Corporation as the Board may from time to time designate to administer its plans generally or this Plan specifically (including the Compensation Committee or such successor committee, the "Compensation Committee"). The Compensation Committee or the Corporation (acting through the proper officer(s) of the Corporation) from time to time may appoint one or more officers, employees and independent contractors (including the Compensation Committee to the extent applicable, each an "Administrator") to assist in the administration of this Plan and may delegate (in whole or in part) power and authority under this Plan to them to the maximum extent permitted by the Charter (as defined in Section 26), applicable Exchange Rules and Applicable Law. Notwithstanding the foregoing, so long as the Corporation has any class of its common equity securities registered or required to be registered under Section 12 of the Securities Exchange Act, to the extent necessary to comply with Rule 16b-3 promulgated under the Securities Exchange Act, as amended, or any successor rule (together with such section, "Rule 16b-3"), or to preserve any deduction or otherwise comply with any applicable provision of the Code, ERISA, Securities Law, Exchange Rules, Accounting Standards or other Applicable Law, any Compensation Committee appointed by the Board to administer this Plan shall be comprised of two or more directors, each of whom shall be a "non-employee director" within the meaning of Rule 16b-3. The delegation of power and authority to the Administrators hereunder shall be consistent with all Applicable Law (including, without limitation, applicable state law and Rule 16b-3) and any applicable Exchange Rules. Unless otherwise provided in the Charter or by Applicable Law, a majority of the members of the Compensation Committee shall constitute a quorum, and the acts of a majority of the members present at any meeting at which a quorum is present, and any acts approved in writing by all members without a meeting, shall be the acts of the Compensation Committee.

(b) The Compensation Committee shall have the power and authority (which it may delegate to the Administrators to the maximum extent permitted by this Plan, the Charter, applicable Exchange Rules and Applicable Law), in their sole discretion, to determine or approve (among other things), to the maximum extent permitted by this Plan, the Charter, Applicable Law and applicable Exchange Rules: (i) the persons who shall be granted Awards under this Plan; (ii) when they shall receive Awards and the applicable grant dates; (iii) whether an Award granted to an employee shall be an ISO, a NQSO, a SAR, Restricted Stock and/or RSUs; (iv) the type (*i.e.*, voting or non-voting) and number of shares of Common Stock to be subject to each Award; (v) the standard term of each Award, including any provisions for early termination or forfeiture; (vi) the method or formula for determining (A) the date each option or SAR shall become exercisable or restrictions on Restricted Stock or RSUs shall lapse (*i.e.*, the Award will vest), including any provisions for early vesting, (B) whether an Award shall be exercisable or vest in whole or in installments, and (C) if in installments, (1) the number of shares of Common Stock to be subject to each installment, (2) whether the installments shall be cumulative and (3) the date each installment shall become exercisable or vest and the term of each installment; (vii) whether to accelerate the date of exercise or vesting of any Award or installment; (viii) whether shares of Common Stock may be issued upon the exercise of an option as partly paid, and, if so, the method or formula for determining the dates when future installments of the exercise price shall become due and the amounts of such installments; (ix) the form of payment of the exercise price for any option; (x) the method or formula for determining (A) the exercise price of each option, (B) the Base Value (as defined in Section 6(e)) of each SAR, and (C) the Fair Market Value of a share of Common Stock for all purposes of this Plan; (xi) whether and under what conditions to restrict the pledge, sale or other disposition of any Award granted under this Plan, the shares of Common Stock acquired upon the exercise of an option or SAR or vesting and settlement of Restricted Stock or RSUs and, if so, whether and under what conditions to waive any such restriction, whether individually, by class or otherwise; (xii) whether and under what conditions to subject the exercise or vesting of all or any portion of an Award to the fulfillment of certain restrictions or contingencies as specified in the Contract referred to in Section 10 hereof, including (without limitation) restrictions or contingencies relating to (A) entering into a covenant not to compete with any SGRP Company, (B) financial objectives for the Corporation, any of its Subsidiaries, a division, a product line or other category and/or (C) the period of continued employment or consulting of the Awardee with any SGRP Company, and in each case to determine whether such restrictions or contingencies have been met; (xiii) the method or formula for determining the amount, if any, necessary to satisfy the obligation to withhold taxes or other amounts with respect to any Award; (xiv) whether an Awardee Retires or has a Disability; (xv) whether to cancel or modify an Award either with or without the consent of the Awardee or as provided in the Contract, provided, however, that any modified provision is permitted to be included in an Award granted under this Plan on the date of the modification, and provided, further, that in the case of a modification (within the meaning of Section 424(h) of the Code) of an ISO, such option as modified would be permitted to be granted on the date of such modification under the terms of this Plan; and (xvi) how to construe the respective Contracts and this Plan; (xvii) the policies, rules and regulations relating to this Plan and how and when to prescribe, amend and rescind the same.

(c) The Compensation Committee shall have exclusive power and authority respecting (i) any provision of this Plan or any Award granted under this Plan, or any amendment to either, that under Rule 16b-3 requires the approval of the Board, a committee of non-employee directors or the stockholders, in order to be exempt under Section 16(b) of the Securities Exchange Act (unless otherwise specifically provided herein), and (ii) any other determination necessary or advisable for administering this Plan to the extent such determination must be made by the Compensation Committee or similar committee of independent directors under applicable provisions of the Code, ERISA, Securities Law, Exchange Rules or Accounting Standards, other Applicable Law or the Charter.

(d) Any controversy or claim arising out of or relating to this Plan, any option granted under this Plan or any Contract on the books and records of the Corporation with respect thereto shall be determined unilaterally by the Administrators in their sole and absolute discretion. The Administrators may in their discretion refer, or shall refer to the extent required by this Plan, the Charter, the Code, ERISA, Securities Law, Exchange Rules, Accounting Standards or other Applicable Law, any such matter to the Compensation Committee for its determination, which determination shall be final, conclusive and binding on all parties. In all other cases, the determinations of the Administrators on such matters shall be final, conclusive and binding on all parties.

(e) No present or former Administrator or director, officer or employee of any SGRP Company or SGRP Consultant shall be liable for any action, inaction or determination made in good faith, and no present or former member of the Compensation Committee shall be liable for any action, inaction or determination made, with respect to this Plan, any Award granted, exercisable, exercised, vested, settled, surrendered or expired hereunder or any bookkeeping entry made in connection therewith.

(f) The Corporation shall maintain a separate permanent record of its actions with respect to the Plan, which shall be available for inspection by appropriate parties as may be required by Applicable Law. Such records shall include (without limitation) a separate account for each Awardee reflecting all Awards granted, exercisable, exercised, vested, settled, surrendered, forfeited, cancelled or expired and other actions taken with respect thereto. The Corporation's books and records shall be conclusive as to the existence, amounts and terms of all Awards absent manifest error.

(g) Notwithstanding any provision of the Plan to the contrary, any stock-settled Award that vests solely on the basis of the passage of time (e.g., not on the basis of achievement of performance goals) shall not vest more quickly than ratably over at least a three (3)-year period following the date of grant and any stock-settled Award that vests based solely on the achievement of performance goals shall not vest more quickly than one year following the date of grant, except that the Award Agreement may reflect, or the Compensation Committee may in its discretion provide after the date of grant for, earlier or accelerated vesting (on a full or pro rata basis) (i) in the event of the Awardee's death, Disability, Retirement or termination without Cause, (ii) upon an Extraordinary Event (as defined in Section 11(b)), or (iii) in connection with establishing the terms and conditions of employment of an Awardee necessary for the recruitment of such individual. The provisions of this Section 3(g) shall not apply to (1) Awards granted to non-employee directors or consultants, (2) substitute Awards under Section 17 or repricing under Section 12, or (3) Awards involving an aggregate number of shares of Common Stock not exceeding 5% of the number of shares available for Awards under Section 2.

Section 4. Eligibility; Absences; Certain Changes of Employment or Service Relationship. (a) The Administrators may from time to time, consistent with the purposes of this Plan, grant Awards to any director, officer or employee of any SGRP Company or any SGRP Consultant as the Administrators may determine in their sole discretion; provided, however, that ISOs may only be granted to an employee of a SGRP Company. Such Awards granted shall cover such number of shares of Common Stock as the Administrators may determine in their sole discretion; provided, however, that if on the date of grant of an Award, any class of common stock of the Corporation (including without limitation the Common Stock) is required to be registered under Section 12 of the Securities Exchange Act, the maximum number of shares subject to Awards that may be granted to any employee during any calendar year under this Plan shall be 1,000,000 shares.

(b) For the purposes of this Plan, and consistent with subsection (c) of this Section below, an employment or consulting relationship shall be deemed to exist if, at the time of the determination, the individual was a director, officer, or employee of any SGRP Company or a SGRP Consultant. As a result, an individual on military leave, sick leave or other bona fide leave of absence shall continue to be considered a director, officer, employee or consultant for purposes of this Plan during such leave if the period of the leave does not exceed ninety (90) days, or, if longer, so long as the individual's right to re-employment with or re-engagement by such SGRP Company, as the case may be is guaranteed either by statute or by contract or such SGRP Company has consented by policy or in writing to longer absence. If the period of leave exceeds ninety (90) days and the individual's right to re-employment is not guaranteed by statute, contract, policy or consent, the employment or consulting relationship shall be deemed to have terminated on the 91st day of such leave.

(c) Notwithstanding anything to the contrary in this Plan, unless otherwise provided in an applicable Contract or as the Administrators may otherwise determine in their sole discretion and advise in writing: (i) the termination (other than the Awardee's Retirement, death or Disability, but consistent with subsections (a) and (b) of this Section, above) of an Awardee's employment or service relationship as a director, officer or employee of one SGRP Company or SGRP Consultant shall not be deemed to be a termination of the Awardee's employment or service relationship, the relationship shall be deemed to be continuing, and not a termination, for the purposes of this Plan (including continuation for the measurement of applicable vesting periods), as long as the Awardee continues to be a director, officer, employee of any other SGRP Company or SGRP Consultant; and (ii) if the SGRP Consultant (other than an individual consultant) ceases to provide consulting services to any SGRP Company (whether as scheduled, by termination or otherwise), then any director, officer or employee of or individual consultant to that former SGRP Consultant who is an Awardee shall (except for any Awardee covered by clause (i) of this subsection) be deemed to have suffered a termination of that employment or service relationship for the purposes of this Plan.

Section 5. Options. Grant of Options. (a) The Administrators may grant Awards of options, whether ISOs and/or NQSOs, to acquire shares of Common Stock as provided in this Section, and each person receiving an option will be referred to as an "**Optionee**" and is also an Awardee under this Plan. Each Award of options granted pursuant to this Plan shall be made on such terms and conditions as are not inconsistent with this Plan and as are established by the Administrators, in their sole discretion, at or before the time such Award is granted; provided, however, that the aggregate Fair Market Value determined at the time the Award is granted of the shares of Common Stock for which any eligible employee may be granted ISOs under this Plan or any other plan of any SGRP Company, that are exercisable for the first time by such Optionee during any calendar year shall not exceed \$100,000. The \$100,000 ISO limitation amount shall be applied by taking ISOs into account in the order in which they were granted or as otherwise may be required by Section 422 of the Code. Any option (or portion thereof) granted in excess of such ISO limitation amount or that for any reason is not or ceases to be treated as an ISO for Code purposes shall be treated as a NQSO to the extent of such excess or all or any portion thereby not treated as an ISO.

(b) Exercise Price of Options. The exercise price of the shares of Common Stock under each option shall be determined by the Administrators in their sole discretion; provided, however, that (i) except as provided below, the exercise price of an option shall not be less than the Fair Market Value of the Common Stock subject to such option on the date of grant; (ii) if, at the time an ISO is granted, the Optionee owns (or is deemed to own under Section 424(d) of the Code) stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of any SGRP Company, the exercise price of such ISO shall not be less than one hundred ten percent (110%) of the Fair Market Value of the Common Stock subject to such ISO on the date of grant; and (iii) the Administrators must first obtain the approval of the Board to grant a NQSO with an exercise price that is less than the Fair Market Value of the shares on the date of the granting of the NQSO.

(c) Term of Options. Each option granted pursuant to this Plan shall be for such term as is established by the Administrators, in their sole discretion, at or before the time such option is granted; provided, however, that the term of each option granted pursuant to this Plan shall be for a period not exceeding ten (10) years from the date of grant thereof, and provided further, that if, at the time an ISO (but not an NQSO) is granted, the Optionee owns (or is deemed to own under Section 424(d) of the Code) stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of any SGRP Company, the term of the ISO shall be for a period not exceeding five (5) years from the date of grant. Options shall be subject to earlier termination as hereinafter provided.

(d) Exercise of Options.

(i) An option (or any installment thereof), to the extent then exercisable, shall be exercised by giving written notice (an "**Exercise Notice**") to the Corporation at its principal office (A) specifying the option being exercised and the number of shares of Common Stock as to which such option is being exercised, and (B) accompanied by payment in full of the aggregate exercise price therefor (or the amount due on exercise if the applicable Contract permits installment payments) (I) in cash and/or by certified check, (II) with the authorization of the Administrators, with previously acquired shares of Common Stock having an aggregate Fair Market Value on the date of exercise, equal to the aggregate exercise price of all options being exercised, (III) with a concurrent sale of option shares to the extent permitted by clause (ii) of this Section 5(d), (IV) with the authorization of the Administrators, through a "net exercise" method as described in clause (iii) of this Section 5(d), or (V) some combination thereof; provided, however, that in no case may shares be tendered if such tender would require the Corporation to incur a charge against its earnings for financial accounting purposes. The Corporation shall not be required to issue any shares of Common Stock pursuant to the exercise of any option until all required payments with respect thereto, including payments for any required withholding amounts, have been made.

(ii) The Administrators may, in their sole discretion, permit payment of the exercise price of an option by delivery by the Optionee of a properly executed Exercise Notice, together with a copy of the Optionee's irrevocable instructions to a broker acceptable to the Administrators to sell all or a portion of the option shares and deliver promptly to the Corporation the amount of sale or loan proceeds sufficient to pay such exercise price. In connection therewith, the Corporation may enter into agreements for coordinated procedures with one or more brokerage firms.

(iii) Upon its receipt of a properly executed Exercise Notice, the Corporation, in its sole discretion and to the greatest extent permitted by Accounting Standards and Applicable Law, may allow the payment or offset of the applicable exercise price of those exercised Option shares and pay the applicable tax withholding on behalf of the employee, by reducing the number of shares of Common Stock to be issued upon exercise by the largest whole number of shares with a Fair Market Value not in excess of the aggregate Exercise Price and tax withholding, and then issuing only the net number of Option shares remaining to the Awardee.

(iv) An Optionee shall not have the rights of a stockholder with respect to such shares of Common Stock to be received upon the exercise of an option until the date of issuance of a stock certificate to the Optionee for such shares or, in the case of uncertificated shares, until the date an entry is made on the books of the Corporation's transfer agent representing such shares; provided, however, that until such stock certificate is issued or until such book entry is made, any Optionee using previously acquired shares of Common Stock in payment of an option exercise price shall continue to have the rights of a stockholder with respect to such previously acquired shares.

(e) Handling Options on Termination of Relationship; Retirement.

(i) Except as may otherwise be expressly provided in the applicable Optionee's Contract or written employment, consulting or termination contract or in Section 4, above, Optionee's any Optionee whose employment or consulting relationship with any SGRP Company or SGRP Consultant has terminated for any reason (other than the Optionee's Retirement, death or Disability) may exercise any option granted to the Optionee as an employee or consultant, to the extent exercisable on the date of such termination, at any time within three (3) months after the date of termination, but not thereafter and in no event after the date the option would otherwise have expired; provided, however, that if such relationship is terminated for Cause (as defined in Section 26), such option shall terminate and be forfeited immediately, and the grantee shall have no further rights or interest with respect to the option.

(ii) Except as may otherwise be expressly provided in the applicable Optionee's Contract or written employment contract or in Section 4, above, an Optionee whose directorship with any SGRP Company or SGRP Consultant has terminated for any reason (other than the Optionee's Retirement, death or Disability) may exercise the options granted to the Optionee as a director of any SGRP Company or SGRP Consultant, to the extent exercisable on the date of such termination, at any time within three (3) months after the date of termination, but not thereafter and in no event after the date the option would otherwise have expired; provided, however, that if the Optionee's directorship is terminated for Cause, such option shall terminate immediately.

(iii) If any Optionee Retires, the options granted to the Optionee under this Plan will become fully vested automatically, notwithstanding any vesting schedule in the Contract, and may be exercised by the Optionee (A) in the case of an ISO, within three (3) months after Retirement, but not beyond the remaining term of the option, or (B) in the case of any other option, at any time within the remaining term of the option, in each case subject to any other early termination that may be applicable under this Plan.

(iv) No option shall be subject to early expiration or termination as provided in clause (i), (ii) or (iii) of Section 5(e) of this Plan due to the Retirement, death or Disability of the original Optionee, subject, however, to all the other provisions of this Plan, including (without limitation) any such other provision for early termination that may become applicable.

(v) Nothing in this Plan or in any option granted under this Plan shall confer on any person any right to continue as a director, officer or employee of any SGRP Company or SGRP Consultant, to become a director, officer or employee of any other SGRP Company or SGRP Consultant, or to interfere in any way with any right of any SGRP Company or SGRP Consultant to terminate such relationship at any time for any reason whatsoever without liability to any SGRP Company or SGRP Consultant.

(f) Death or Disability of an Optionee.

(i) Except to the extent more favorable treatment may otherwise be expressly accorded to the Optionee in the applicable Contract or Optionee's written employment or consulting or termination contract, if an Optionee dies (A) while the Optionee is a director (whether or not an employee), officer (whether or not an employee), or employee of any SGRP Company or SGRP Consultant, (B) at any time following the original Optionee's Retirement from such relationship or termination of such relationship by reason of the Optionee's Disability, or (C) within three (3) months after any other termination of such relationship (unless such other termination was for Cause or without the consent of the Corporation), the options granted to the Optionee under this Plan will become fully vested automatically, notwithstanding any vesting schedule in the Contract, and may be exercised by the Optionee's Legal Representative (as such term is defined in Section 26) at any time (I) in the case of an ISO, within one year after death, but not beyond the remaining term of the option, or (II) in the case of any other option, within the remaining term of the option, in each case subject to any other early termination that may be applicable under this Plan.

(ii) Except to the extent more favorable treatment may otherwise be expressly accorded to the Optionee in the applicable Contract or Optionee's written employment or consulting or termination contract, in the event of the termination due to Disability of an Optionee's status as a director, officer or employee of any SGRP Company or SGRP Consultant, the options granted to the Optionee under this Plan will become fully vested automatically, notwithstanding any vesting schedule in the Contract, and may be exercised by the Optionee, or by the Optionee's Legal Representative, at any time (A) in the case of an ISO, within one year after Disability, but not beyond the remaining term of the option, or (B) in the case of any other option, within the remaining term of the option, in each case subject to any other early termination that may be applicable under this Plan.

Section 6. Stock Appreciation Rights. Grant of SARs. (a) The Administrators may grant Awards of SARs as provided in this Section. Each Award of SARs granted pursuant to this Plan shall be made on such terms and conditions that are not inconsistent with this Plan as are established by the Administrators, in their sole discretion, at or before the time such Award is granted.

(b) SAR Terms. The Contract for each SAR Award shall specify the Base Value (as defined in Section 6(e)), the duration of the SAR, the number of shares of Common Stock to which the SAR pertains, any conditions imposed upon the exercisability of the SAR in the event of Retirement (as defined in Section 26), death, Disability or other termination of employment or termination of a consulting or other relationship, and such other provisions as the Administrators shall determine consistent with the Plan. SARs granted under the Plan shall be exercisable at such times and be subject to such restrictions and conditions as the Administrators shall determine, which need not be the same for all Awardees.

(c) Exercise of SARs. SARs may be exercised with respect to all or part of the shares of Common Stock upon whatever terms and conditions the Administrators, in their sole discretion, imposes upon such SARs. A SAR shall be exercised by delivery to the Corporation of a notice of exercise in the form prescribed by the Administrators.

(d) Other Conditions Applicable to SARs. In no event shall the term of any SAR granted under the Plan exceed ten (10) years from the date of grant. A SAR may be exercised only when the Fair Market Value of a share of Common Stock exceeds the Base Value (as defined in Section 6(e)).

(e) Payment upon Exercise of SARs.

(i) Subject to the provisions of the Contract, upon the exercise of a SAR, the Awardee is entitled to receive, without any payment to the Corporation (other than required tax withholding amounts), an amount (the "SAR Value") equal to the product of multiplying (A) the number of shares of Common Stock with respect to which the SAR is exercised by (B) an amount equal to the excess of (I) the Fair Market Value per share on the date of exercise of the SAR over (II) the "Base Value" of the SAR designated in the Contract (which "Base Value" shall be the Fair Market Value per share on the date of grant or any amount greater than such Fair Market Value stated as the Base Value in the Contract).

(ii) Payment of the SAR Value to the Awardee shall be made (A) in shares of Common Stock, valued at the Fair Market Value on the date of exercise in the case of an immediate payment after exercise, (B) in cash or (C) in a combination thereof as determined by the Administrators, either at the time of the Award or, unless otherwise provided in the applicable Contract, thereafter, and as provided in the Contract.

(iii) To the extent required to satisfy the conditions of Rule 16b-3 or other applicable provision of the Code, ERISA, Securities Law, Exchange Rules, Accounting Standards or other Applicable Law, or as otherwise provided in the Contract, the Compensation Committee shall have the sole discretion to consent to or disapprove the election of any Awardee to receive cash in full or partial settlement of a SAR. In cases where an election of settlement in cash must be consented to by the Administrators, the Administrators may consent to, or disapprove, such election at any time after such election, or within such period for taking action as is specified in the election, and failure to give consent shall be disapproval. Consent may be given in whole or as to a portion of the SAR surrendered by the Awardee. If the election to receive cash is disapproved in whole or in part, the SAR shall be deemed to have been exercised for shares of Common Stock, or, if so specified in the notice of exercise, not to have been exercised to the extent the election to receive cash is disapproved.

(iv) As an alternative to the foregoing, if the Administrators determine to issue SARs that are subject to Section 409A of the Code and are intended to comply with the requirements of Section 409A of the Code, the Administrators may provide in the Contract for a deferred payment, issuance and/or delivery of the cash to be paid or shares of Common Stock to be issued in connection with the SAR exercise at a time or times permitted under Section 409A of the Code. In such event, dividends or other distributions with respect to shares of Common Stock that would otherwise have been issued and received by the Awardee in connection with the exercise shall be paid to the Awardee currently as and when payable to stockholders of the Corporation or, if provided in the applicable Contract, deferred until the underlying deferred shares of Common Stock are issued and delivered. Any cash payment, dividends or other distributions that are deferred shall be credited with interest at a reasonable rate as determined by the Administrators from time to time.

(f) Restrictions on Stock Transferability. The Administrators may impose such restrictions on any shares of Common Stock delivered to an Awardee on exercise of a SAR as they may deem advisable in their sole and absolute discretion, including, without limitation, restricting transferability and/or designating such shares as Restricted Stock or stock subject to further service, performance, consulting or noncompetition period after settlement. Each certificate representing such shares of Common Stock shall bear a legend referencing such restrictions, which legend may be the same as the legend placed on certificates pursuant to Section 7(d).

(g) Applicability of Section 5(e) and (f). Unless otherwise provided in the Contract, the provisions of Sections 5(e) and (f) shall apply to SARs as though the SARs were options (other than ISOs).

Section 7. Restricted Stock. Grant of Restricted Stock. (a) The Administrators may grant Awards of shares of Common Stock that are restricted as provided in this Section (referred to as "Restricted Stock" while so restricted). Each Award of Restricted Stock granted pursuant to this Plan shall be made on such terms and conditions that are not inconsistent with this Plan as are established by the Administrators, in their sole discretion, at or before the time such Award is granted. Unless otherwise provided in the applicable Contract, an Awardee receiving a Restricted Stock Award is not required to pay the Corporation therefor (except for applicable tax withholding) other than the rendering of services. As determined by the Administrators, shares of Restricted Stock may be issued in book entry or electronic form or in certificated form. Unless otherwise determined by the Administrators, custody of shares of Restricted Stock in certificated form shall be retained by the Corporation or held in escrow by an escrow agent selected, and subject to change from time to time, by the Administrators until the termination of the Period of Restriction (as defined in Section 26) pertaining thereto.

(b) Restrictions. Each Restricted Stock Award shall specify the Period of Restriction, the number of shares of Restricted Stock in the Award, and the applicable restrictions (whether service-based restrictions, with or without performance acceleration, and/or performance-based restrictions) and such other provisions as the Administrators shall determine. If a Restricted Stock Award is intended to be a performance-based compensation Award, the terms and conditions of the Award, including the Performance Goal(s) (as defined in Section 26) and Period of Restriction and, if different, performance period, shall be set forth in the Contract or in a subplan of this Plan, which is incorporated by reference into the Contract, and the requirements to satisfy or achieve the Performance Goal(s) as so provided therein shall be considered to be restrictions under this Plan.

(c) Other or Additional Restrictions. The Administrators may also impose restrictions in the form a right of first refusal running to the Corporation, a buyback right by the Corporation or other restriction on transferability. In the event the Administrators so provide in a Contract, shares of Common Stock delivered pursuant to this Plan in connection with Awards of Restricted Stock may be subject to a buyback right by the Corporation in the amount of, or based on, a specific or formula price therefor or otherwise in the event the Awardee does not complete a specified service, consulting or noncompetition period after issuance or delivery of the shares to the Awardee.

(d) Certificate Legend. In addition to any legends placed on certificates in connection with securities laws, each certificate representing shares of Restricted Stock awarded pursuant to this Plan shall bear the following legend:

"The sale, transfer, pledge, hypothecation or other disposition of the shares of stock represented by this certificate, whether voluntary, involuntary, or by operation of law, is subject to certain restrictions on transfer set forth in the 2018 Stock Compensation Plan of SPAR Group, Inc., as amended, in the rules and administrative procedures adopted pursuant to such Plan, and in an associated Restricted Stock Agreement. A copy of the Plan, such rules and procedures, and the applicable Restricted Stock Agreement may be obtained from the Secretary of SPAR Group, Inc."

(e) Removal of Restrictions. Except as otherwise provided in this Section 7 or elsewhere in this Plan, shares of Restricted Stock awarded under this Plan shall become freely transferable by the Awardee immediately after the last day of the Period of Restriction and, where applicable, immediately after a determination of the satisfaction or achievement of any applicable Performance Goal(s) by the Administrators. Once the shares are released from the restrictions, the legend required by Section 7(d) herein shall be removed and, unless and until the Awardee requests in writing, or the Administrators direct, issuance and delivery in certificated form, the released shares of Common Stock may remain in book entry or electronic form or held in escrow by an escrow agent selected, and subject to change from time to time, by the Administrators.

(f) Voting Rights. Unless otherwise provided in the Contract, during the Period of Restriction, Awardees to whom shares of Restricted Stock hereunder may exercise voting rights with respect to those shares.

(g) Dividends and Other Distributions. Unless otherwise provided in the Contract (which may or may not provide for the accumulation and payment of dividends and other distributions made in cash or property other than shares of Common Stock until the shares to which the dividends and other distributions relate vest), during the Period of Restriction, Awardees entitled to or holding shares of Restricted Stock hereunder shall be entitled to receive all dividends and other distributions made in cash or property other than shares of Common Stock with respect to those shares of Restricted Stock. If any dividends or distributions are paid in shares of Common Stock, such shares shall be subject to the same restrictions on transferability and the same rules for vesting, forfeiture, and custody as the shares of Restricted Stock with respect to which they were distributed.

(h) Failure to Satisfy Performance Goal(s). In the event that the specified Performance Goal(s) are not satisfied within the time period established by the Administrators, the shares of Restricted Stock that were awarded subject to the satisfaction of such Performance Goal(s) shall be automatically forfeited and returned to the Corporation; provided, that the Administrators may waive all or any part of the Performance Goal(s) and provide for vesting of the Award on such basis as they deem appropriate.

(i) Termination of Employment or Service. Unless otherwise provided in the Contract pertaining to a Restricted Stock Award, and otherwise consistent with Section 4(b) above, in the event that an Awardee's employment or service with any SGRP Company or SGRP Consultant has terminated for any reason, then the unvested portion of a Restricted Stock Award shall automatically be forfeited to the Corporation. The Administrators may provide in a Contract made pursuant to this Plan for vesting of Restricted Stock Awards in connection with the termination of an Awardee's employment or service on such basis as they deem appropriate, including, without limitation, any provisions for vesting at death, Disability, Retirement, or other cessation of employment or service, with or without the further consent of the Administrators. The Contracts evidencing Awards may contain such provisions as the Administrators may approve with reference to the effect of approved leaves of absence.

Section 8. RSUs. Grant of RSUs. (a) The Administrators, at any time and from time to time, may grant RSUs under this Plan (with one RSU representing the right to one share of Common Stock) on such terms and conditions that are not inconsistent with this Plan as are established by the Administrators, in their sole discretion, at or before the time such Award is granted. Unless otherwise provided in the applicable Contract, an Awardee receiving a RSU Award is not required to pay the Corporation therefor (except for applicable tax withholding) other than the rendering of services.

(b) Restrictions. The Contract for each RSU Award shall specify the Period of Restriction, the number of RSUs granted, the applicable restrictions (whether service-based restrictions, with or without performance acceleration, and/or performance-based restrictions), the payment terms and such other provisions as the Administrators shall determine. If a RSU Award is intended to be a performance-based compensation Award, the terms and conditions of such Award, including the Performance Goal(s) and Period of Restriction and, if different, performance period, shall be set forth in a Contract or in a subplan of this Plan, which is incorporated by reference into a Contract, and the requirements to satisfy or achieve the Performance Goal(s) as so provided therein shall be considered to be restrictions under this Plan.

(c) Dividends and Other Distributions. Unless otherwise provided in the Contract (which may or may not provide for the current payment, or for the accumulation subject to the same restrictions, vesting, forfeiture, and payment as the RSUs to which they are attributable, of dividends and other distributions made in cash or property other than shares of Common Stock), during the Period of Restriction, Awardees holding RSUs shall have no rights to dividends and other distributions made in cash or property other than shares of Common Stock that would have been paid with respect to the shares represented by those RSUs if such shares were outstanding. Awardees holding RSUs shall have no right to vote the shares of Common Stock represented by such RSUs until such shares are actually issued in settlement of such RSUs. Unless otherwise provided in the Contract, if any deemed dividends or other distributions would be paid in shares of Common Stock, such shares shall be considered to increase the Awardee's RSUs with respect to which they were declared based on one share equaling one RSU. In addition, unless otherwise provided in the Contract, during the Period of Restriction, any such deemed dividends and other distributions for which rights are provided but which are not paid currently shall be deemed converted to additional RSUs based on the Fair Market Value of a share on the date of payment or distribution of the deemed dividend or distribution.

(d) Payment after Lapse of Restrictions. Subject to the provisions of the Contract, upon the lapse of restrictions with respect to a RSU, the Awardee is entitled to receive, without any payment to the Corporation (other than required tax withholding amounts), an amount equal to the product of multiplying (i) the number of shares of Common Stock with respect to which the restrictions lapse by (ii) the Fair Market Value per share on the date the restrictions lapse (such amount, the "RSU Value"). The Contract may provide for payment of the RSU Value at the time of vesting or, on an elective or non-elective basis, for payment of the RSU Value at a later date, adjusted (if so provided in the Contract) from the date of vesting based on an interest, dividend equivalent, earnings, or other basis (including deemed investment of the RSU Value in shares of Common Stock) set out in the Contract (the "adjusted RSU Value"). The Administrators are expressly authorized to grant RSUs that are "nonqualified deferred compensation" covered by Section 409A of the Code, as well as RSUs that are not such nonqualified deferred compensation. Payment of the RSU Value or adjusted RSU Value to the Awardee shall be made in cash or shares of Common Stock, or a combination thereof, as provided in the Contract, valued at the Fair Market Value on the date or dates the restrictions on the Award lapse in the case of an immediate payment after vesting, or at the Fair Market Value on the date of settlement in the event of an elective or non-elective delayed payment. Any payment in shares of Common Stock shall be effected in book entry or electronic form, provided that issuance and delivery in certificated form shall occur if the Awardee so requests in writing or the Administrators so direct.

(e) Restrictions on Stock Transferability. The Administrators may impose such restrictions on any shares of Common Stock delivered to an Awardee in settlement of a RSU as they may deem advisable in their sole and absolute discretion, including, without limitation, a right of first refusal running to the Corporation, a buyback right by the Corporation or other restriction on transferability. In the event the Administrators so provide in a Contract, shares of Common Stock delivered on the settlement of a RSU may be designated as Restricted Stock and/or may be subject to a buyback right by the Corporation in the amount of, or based on, a specific or formula price therefor or otherwise in the event the Awardee does not complete a specified service, consulting or noncompetition period after settlement.

(f) Failure to Satisfy Performance Goal(s). In the event that the specified Performance Goal(s) are not satisfied within the time period established by the Administrators, the RSUs that were awarded subject to the satisfaction of such Performance Goal(s) shall be automatically forfeited and returned to the Corporation; provided, that the Administrators may waive all or any part of the Performance Goal(s) and provide for vesting of the Award on such basis as they deem appropriate.

(g) Termination of Employment or Service. Except as may otherwise be expressly provided in the applicable Awardee's Contract or written employment, consulting or termination contract or in Section 4, above, in the event that an Awardee's employment or service with any SGRP Company or SGRP Consultant has terminated for any reason (other than the Awardee's Retirement, death or Disability), then the unvested portion of a RSU Award shall automatically be forfeited to the Corporation. The Administrators may provide in a Contract made pursuant to this Plan for vesting of RSU Awards in connection with the termination of an Awardee's employment or service on such basis as they deem appropriate, including, without limitation, any provisions for vesting at death, Disability, Retirement, or other cessation of employment or service, with or without the further consent of the Administrators. The Contracts evidencing Awards may contain such provisions as the Administrators may approve with reference to the effect of approved leaves of absence.

Section 9. Compliance with Securities Laws. (a) It is a condition to the exercise of any option or SAR, the issuance of any share of Common Stock and the vesting of any Award granted under this Plan that either (i) a Registration Statement under the Securities Act of 1933, as amended (the "Securities Act"), with respect to the shares of Common Stock to be issued in connection therewith shall be effective and current at the time of exercise or issuance, or (ii) there is an exemption from registration under the Securities Act for the issuance of the shares of Common Stock thereupon. Nothing herein shall be construed as requiring the Corporation to register shares subject to any Award under the Securities Act or to keep any Registration Statement effective or current.

(b) The Administrators may require, in their sole discretion, as a condition to the grant, issuance of shares of Common Stock pursuant to or exercise of an Award, that the Awardee execute and deliver to the Corporation such Awardee's representations and warranties, in form, substance and scope satisfactory to the Administrators, as the Administrators may determine to be necessary or convenient to facilitate the perfection of an exemption from the registration requirements of the Securities Act, applicable state securities laws or other legal requirements, including (without limitation) that (i) the shares of Common Stock to be issued are being acquired by the Awardee for the Awardee's own account, for investment only and not with a view to the resale or distribution thereof, and (ii) any subsequent resale or distribution of shares of Common Stock by such Awardee will be made only pursuant to (A) a Registration Statement under the Securities Act that is effective and current with respect to the shares of Common Stock being sold, or (B) a specific exemption from the registration requirements of the Securities Act, but in claiming such exemption, the Awardee, prior to any offer of sale or sale of such shares of Common Stock, shall provide the Corporation with a favorable written opinion of counsel satisfactory to the Corporation, in form, substance and scope satisfactory to the Corporation, as to the applicability of such Securities Act exemption to the proposed sale or distribution.

(c) In addition, if at any time the Administrators shall determine that the listing or qualification of the shares of Common Stock subject to such Award on any securities exchange or under any Applicable Law, or that the consent or approval of any governmental agency or regulatory body, is necessary or desirable as a condition to, or in connection with, the granting of an Award or the issuance of shares of Common Stock thereunder, such Award may not be granted, exercised or settled in whole or in part, as the case may be, unless such listing, qualification, consent or approval shall have been effected or obtained by the Administrators free of any conditions not acceptable to the Administrators.

Section 10. Award Contracts. Each Award shall be evidenced by an appropriate Contract duly executed by the Corporation and the Awardee (each a "**Contract**"). Such Contract shall contain such terms, provisions and conditions not inconsistent herewith as may be determined by the Administrators in their sole discretion. The terms of each Award and Contract need not be identical.

Section 11. Adjustments upon Changes in Common Stock. Notwithstanding any other provision of this Plan, in the event of any change in the outstanding Common Stock by reason of a stock dividend, recapitalization, spin-off, split-up, combination or exchange of shares or the like that results in a change in the number or kind of shares of Common Stock that were outstanding immediately prior to such event, the aggregate number and kind of shares subject to this Plan (including the Remaining Availability and the components thereof), the aggregate number and kind of shares subject to each outstanding option or SAR and the exercise price thereof, the number of outstanding shares of Restricted Stock, the number of outstanding RSUs and the maximum number of shares subject to Awards that may be granted to any employee in any calendar year, shall be appropriately adjusted by the Compensation Committee to preserve the inherent economic value of the Awards and the intent and purposes of this Plan, consistent with this Plan and the applicable provisions of the Code, ERISA, Securities Law, Exchange Rules, Accounting Standards and other Applicable Law, and this mandatory adjustment and the Compensation Committee's determination of the mechanics of its implementation shall be conclusive and binding on all parties. Such adjustment may provide for the elimination of fractional shares that might otherwise be subject to the Award without payment therefor and for the rounding up to the next whole cent in the case of exercise prices. Notwithstanding the foregoing, no adjustment shall be made pursuant to this Section 11 if such adjustment (i) would cause this Plan to fail to comply with Section 409A or 422 of the Code or with Rule 16b-3 (if applicable to such Award), or (ii) would be considered as the adoption of a new plan requiring stockholder approval.

(b) Except as provided below but subject to compliance with Section 409A of the Code (if applicable), unless the Administrators shall, in their sole discretion, determine otherwise, upon (i) the dissolution, liquidation or sale of all or substantially all of the business, properties and assets of the Corporation, (ii) any reorganization, merger or consolidation in which the Corporation does not survive, (iii) any reorganization, merger, consolidation or exchange of securities in which the Corporation does survive and any of the Corporation's stockholders have the opportunity to receive cash, securities of another corporation and/or other property in exchange for their capital stock of the Corporation, or (iv) any acquisition by any person or group (as defined in Section 13(d) of the Securities Exchange Act) of beneficial ownership of more than fifty percent (50%) of the Corporation's then outstanding shares of Common Stock (other than ownership by Robert G. Brown, William H. Bartels, their respective families, trusts under which either of them is a trustee or beneficiary, and corporations and other entities under their individual or collective control) (each of the events described in clauses (i), (ii), (iii) and (iv) are referred to herein individually as an "Extraordinary Event"), this Plan and each outstanding option or SAR shall terminate, each outstanding share of Restricted Stock shall be deemed vested and each outstanding RSU shall be deemed vested and settled. In such event each Awardee shall have the right to exercise, in whole or in part, any unexpired option or options or SAR or SARs issued to the Awardee, to the extent that said option or SAR is then vested and exercisable pursuant to the provisions of said option or options or SAR or SARs and this Plan within fifteen (15) Business Days of the Corporation's giving of written notice to the Awardee of such Extraordinary Event.

(c) Except as otherwise expressly provided in this Plan, the applicable Contract or the Awardee's written employment or consulting or termination contract, the termination of employment of, or the termination of a consulting or other relationship with, an Awardee for any reason shall not, unless the Administrators decide otherwise, accelerate or otherwise affect the number of shares with respect to which an Award may be exercised, vested or settled; provided, however, that an option or SAR may only be exercised with respect to that number of shares that could have been purchased under the option or SAR had the option or SAR been exercised by the Awardee on the date of such termination.

(d) Notwithstanding anything to the contrary contained in this Plan, or any provision to the contrary contained in a particular Contract, the Administrators, in their sole discretion, at any time, or from time to time, may elect to accelerate the exercisability or vesting of all or any portion of any Award then outstanding. The decision by the Administrators to accelerate an Award or to decline to accelerate an Award shall be final, conclusive and binding. In the event of the acceleration of the exercisability of options or SARs as the result of a decision by the Administrators pursuant to this Section 11, each outstanding option or SAR so accelerated shall be exercisable for a period from and after the date of such acceleration and upon such other terms and conditions as the Administrators may determine in their sole discretion; provided, however, that such terms and conditions (other than terms and conditions relating solely to the acceleration of exercisability and the related termination of an option or SAR after the stated period) may not adversely affect the rights of any Awardee without the consent of the Awardee so adversely affected. Any outstanding option or SAR that has not been exercised by the holder at the end of such stated period shall terminate automatically and become null and void.

Section 12. Repricing and other Award Modifications; Amendments and Termination of this Plan. (a) Subject to the terms and conditions and within the limitations of the Plan, the Compensation Committee at any time and from time to time in its discretion: (i) may select (by price, expiration or other relevant term or otherwise) one or more outstanding Awards granted under the Plan, the 2008 Plan, 2000 Plan, the 1995 Plan or any other equity compensation plan of the Corporation; (ii) may modify, extend or renew those Awards and their Corresponding Contracts; (iii) may authorize and direct the Corporation to accept the surrender of outstanding Awards and grant new or replacement Awards pursuant to the Plan in substitution therefor; and (iv) may provide that such modified, extended, renewed or substituted Awards have one or more of the following (in any combination) (A) a lower exercise price, Base Value or similar component than the surrendered Award or Awards, (B) a higher number of covered Award Shares than the surrendered Award or Awards, (C) a longer term than the surrendered Award or Awards, (D) more rapid vesting and exercisability than the surrendered Award or Awards, (E) a different market or intrinsic value than the surrendered Award or Awards, and (F) other modifications and additional provisions that are authorized by the Plan and more favorable to the Awardee than the surrendered Award or Awards. Notwithstanding the foregoing, however: (1) if the exercise price, Base Value or similar component of the original Award was originally set at the then full Fair Market Value or a specified fraction or multiple thereof, such exercise price, Base Value or similar component shall not be lowered in any such modification, extension, renewal or substitution to an amount that is less than the full Fair Market Value or such specified fraction or multiple thereof, as applicable, on the date of such modification, extension, renewal or substitution; and (2) no modification of an Award granted under this Plan or any such other plan shall adversely affect the rights or obligations of an Awardee under such Award without such Awardee's consent.

(b) This Plan shall have an initial term that ends on May 31, 2019, and no Award may be granted thereafter under this Plan, unless an extension or elimination of such initial term Plan is approved by stockholders of the Corporation if and as required pursuant to Section 27. In any event, no Award may be granted under this Plan on or after the tenth (10th) anniversary of the Effective Date of this Plan unless an extension of the term of this Plan is approved by stockholders of the Corporation if and as required pursuant to Section 27. Awards granted prior to the end the term of this Plan shall continue to be governed by this Plan (which shall continue in full force and effect for that purpose).

(c) The Compensation Committee, without further approval of the Corporation's stockholders, may at any time suspend or terminate this Plan, in whole or in part, or amend it from time to time in such respects as it may deem advisable, including (without limitation) in order that ISOs granted hereunder meet the requirements for "incentive stock options" under the Code, or to comply with the provisions of Rule 16b-3 or any change in the Code, ERISA, Securities Law, Exchange Rules, Accounting Standards or other Applicable Law (including any regulation, ruling or interpretation of any governmental agency or regulatory body) applicable to this Plan, any Award or any related matter; provided, however, that no amendment shall be effective, without the requisite prior or subsequent stockholder approval, that would (a) except as contemplated in Section 11, increase the maximum number of shares of Common Stock for which Awards may be granted under this Plan or change the maximum number of shares for which Awards may be granted to employees in any calendar year, (b) change the eligibility requirements for individuals to whom Awards may be granted hereunder, or (c) make any change for which stockholder approval is required under this Plan, the Code, ERISA, Securities Law, Exchange Rules, Accounting Standards or other Applicable Law or the Charter.

(d) No termination, suspension or amendment of this Plan shall adversely affect the rights of an Awardee under any Award granted under this Plan without such Awardee's consent. The power of the Administrators to construe and administer any Award granted under this Plan prior to the termination or suspension of this Plan shall continue after such termination or during such suspension.

Section 13. Non-Transferability. (a) Except as otherwise provided below or in the applicable Contract, no Award granted under this Plan shall be transferable other than by will or the laws of descent and distribution, and options or SARs may be exercised, during the lifetime of the Awardee, only by the Awardee or the Awardee's Legal Representatives. Except to the extent provided below or in the applicable Contract, Awards may not be assigned, transferred, pledged, hypothecated or disposed of in any way (whether by operation of law or otherwise) and shall not be subject to execution, attachment or similar process, and any such attempted assignment, transfer, pledge, hypothecation or disposition shall be null and void *ab initio* and of no force or effect, unless and to the extent the Board, in the case of Awards other than ISOs, has given its express written consent to any pledge or hypothecation to (and subsequent disposition by) a financial institution, which Awards shall continue to be subject to the terms and provisions of this Plan and the applicable Contract and may be subject to such additional limits, conditions and provisions as the Board may require in its sole and absolute discretion as a condition of such consent.

(b) The Administrators may, in their discretion, authorize all or a portion of any Award other than an ISO granted to an Awardee to be on terms that permit transfer by such Awardee to (i) the spouse, children or grandchildren of the Awardee ("Immediate Family Members"), including (without limitation) adopted children and grandchildren, (ii) a trust or trusts for the exclusive benefit of such Immediate Family Members, or (iii) a partnership in which such Immediate Family Members are the only partners, provided that (A) there may be no consideration for any such transfer (other than natural love and affection, the beneficial or equity interests therein received in connection with any such transfer to a trust or partnership, or the legal consideration for such a transfer to be enforceable), and (B) the Contract pursuant to which such Awards are granted must (1) be specifically approved by the Administrators and (2) expressly provide for transferability in a manner consistent with this Section 13.

(c) Following any permitted transfer, any such Awards shall continue to be subject to the same terms and conditions as were applicable immediately prior to transfer; provided that for purposes hereof reference to "Awardee" shall be deemed to refer to the transferee. The provisions hereof respecting the effect of Retirement or other termination of employment or service and respecting the effect of death or Disability shall continue to be applied with respect to the original Awardee, following which an Award of shall be exercisable, where applicable, by the transferee only to the extent, and for the periods specified in the Contract. Any permitted transferee shall be required prior to any transfer of an Award or shares of Common Stock acquired pursuant to the exercise or settlement of an Award to execute a written undertaking to be bound by the provisions of this Plan and the applicable Contract.

Section 14. Withholding Taxes. The applicable SGRP Company, may withhold (a) cash or (b) with the consent of the Administrators (in the Contract or otherwise), shares of Common Stock to be issued upon exercise or settlement of an Award or a combination of cash and shares, having an aggregate Fair Market Value equal to the amount that the Administrators determine is necessary to satisfy the obligation of the SGRP Company to withhold Federal, state and local income taxes or other amounts incurred by reason of the grant, vesting, exercise, vesting, settlement or disposition of an Award or the disposition of the underlying shares of Common Stock. Alternatively, the Corporation may require the Awardee to pay to the Corporation such amount, in cash, promptly upon demand.

Section 15. Legends; Payment of Expenses. (a) The Corporation may endorse such legend or legends upon the certificates for shares of Common Stock issued upon exercise, granting or settlement of an Award under this Plan and may issue such "stop transfer" instructions to its transfer agent in respect of such shares as it determines, in its sole discretion, to be necessary or appropriate to (i) prevent a violation of, or to perfect an exemption from, the registration requirements of the Securities Act, applicable state securities laws or other legal requirements, (ii) implement the provisions of this Plan or any agreement between the Corporation and the Awardee with respect to such shares of Common Stock, or (iii) permit the Corporation to determine the occurrence of a "disqualifying disposition," as described in Section 421(b) of the Code, of the shares of Common Stock transferred upon the exercise of an ISO granted under this Plan.

(b) The Corporation shall pay all issuance taxes with respect to the issuance of shares of Common Stock upon the exercise, granting or settlement of an Award granted under this Plan, as well as all fees and expenses incurred by the Corporation in connection with such issuance.

Section 16. Use of Proceeds. Except to the extent required by law, the Corporation's Certificate of Incorporation, or the SGRP By-Laws, the cash proceeds to be received upon the exercise of an option under this Plan shall be added to the general funds of the Corporation and used for such corporate purposes as the Board may determine, in its sole discretion.

Section 17. Substitutions and Assumptions of Awards of Certain Constituent Corporations. Anything in this Plan to the contrary notwithstanding, the Board may, without further approval by the stockholders, substitute new Awards for prior Awards of the same type as is permitted under this Plan of a Constituent Corporation (as such term is defined in Section 26) or assume the prior Awards of the same type as is permitted under this Plan of such Constituent Corporation.

Section 18. Nonqualified Deferred Compensation. (a) The Corporation generally intends that each option and each Award of Restricted Stock granted under this Plan not constitute "nonqualified deferred compensation" within the meaning of and subject to Section 409A of the Code. To the extent that the Administrators determine that any provision of this Plan or any option or Contract relating to an option or Restricted Stock provides for any such nonqualified deferred compensation (in whole or in part), the Administrators at any time may amend this Plan and/or amend, restructure, terminate or replace any Contract to either comply with Section 409A of the Code and/or minimize or eliminate any such nonqualified deferred compensation, in each case notwithstanding anything in this Plan or any applicable Contract to the contrary.

(b) Notwithstanding the foregoing, it is intended that SARs and RSUs may be awarded that are considered to be "nonqualified deferred compensation" subject to Section 409A of the Code, and it is intended that such Awards shall be provided and paid in a manner, and at such time and in such form, as complies with the applicable requirements of Section 409A of the Code to avoid the unfavorable tax consequences provided therein for non-compliance. The Administrators are authorized to amend any Contract and to amend or declare void any election by an Awardee as may be determined by it to be necessary or appropriate to evidence or further evidence required compliance with Section 409A of the Code.

(c) Notwithstanding any other provision of this Plan, the Corporation shall not be liable to any Awardee if any payment or benefit that is to be provided pursuant to this Plan and that is considered "nonqualified deferred compensation" subject to Section 409A of the Code fails to comply with, or be exempt from, the requirements of Section 409A of the Code.

Section 19. No Employment Contract or other Additional Rights. Neither this Plan nor the granting of any Award or Contract hereunder shall, and none of them shall be deemed or construed to, in any way: constitute an employment contract between any director, officer or employee and any SGRP Company or SGRP Consultant; be consideration or inducement for the employment of any director, officer or employee by any SGRP Company or SGRP Consultant; create any specific employment term or period for any director, officer or employee of any SGRP Company or SGRP Consultant; give any director, officer or employee of any SGRP Company or SGRP Consultant the right to be retained in the service of any SGRP Company or SGRP Consultant; interfere with the right of any SGRP Company or SGRP Consultant to terminate any director, officer, employee or SGRP Consultant at any time, with or without cause, regardless of the effect that such termination will or may have upon such individual as an Awardee under this Plan; otherwise affect the "at will" or other employment or engagement status of any director, officer, employee or SGRP Consultant of any SGRP Company or SGRP Consultant; extend, modify or affect any written contract between of any SGRP Company and any SGRP Consultant; affect or restrict the power or authority of any SGRP Company or SGRP Consultant to undertake any corporate or other action otherwise permitted under Applicable Law or any written contract between of any SGRP Company and any SGRP Consultant; except as may be expressly provided in this Plan or the applicable Contract, give any rights as a stockholder with respect to shares covered by any Award until such time (if ever) as the Awardee is listed as the owner of record, without restrictions on vesting or entitlement (other than those relating to securities laws) imposed pursuant to this Plan, of the shares on the books and records of the Corporation's transfer agent; or except as may be expressly provided in this Plan or the applicable Contract, provide any right to any adjustment for cash dividends or other rights for which the record date is prior to the date (if ever) the Awardee is listed as the owner of record, without restrictions on vesting or entitlement (other than those relating to securities laws) imposed pursuant to this Plan, of the shares on the books and records of the Corporation's transfer agent.

Section 20. No Corporation Guaranty or Personal Liability. None of the SPAR Companies and Administrators has in any way guaranteed or assumed any other liability or responsibility for any loss or depreciation in or other adverse event respecting any Award covered by this Plan or any Contract with respect thereto or made any promise or assurance with respect thereto.

Section 21. Indemnification. (a) To the maximum extent permitted by law, the Corporation shall indemnify each Administrator and every other member of the Board, as well as any other director, officer or employee of any SGRP Company, from and against any and all liabilities and expenses (including any amount paid in settlement or in satisfaction of a judgment and reasonable attorneys fees and expenses) reasonably incurred by the individual in connection with any claims against the individual by reason of any action, inaction or determination on behalf of the Corporation by the individual under this Plan. This indemnity shall not apply, however, if: (i) it is determined in the action, lawsuit, or proceeding that the individual is guilty of gross negligence or intentional misconduct in the performance of any duties under this Plan; or (ii) the individual fails to assist the Corporation in defending against any such claim.

(b) Notwithstanding the above, the Corporation shall have the right to select counsel and to control the prosecution or defense of the suit.

(c) Furthermore, the Corporation shall not be obligated to indemnify any individual for any amount incurred through any settlement or compromise of any action unless the Corporation consents in writing to the settlement or compromise.

Section 22. Governing Law. This Plan, each Award granted and each Contract executed hereunder, the Contracts and all rights, powers, privileges, remedies, interests and other matters arising hereunder and thereunder shall be governed by, administered under and construed in accordance with, to the extent applicable: (i) ERISA, the Code or other federal tax or similar law; (ii) the Securities Law and other federal law of the United States of America; (iii) the DEGCL and the DEUCC; and (iv) to the extent that such federal law is not dispositive and does not preempt local law, and the DEGCL and DEUCC are not applicable, the Applicable Law of the State of New York, in each case other than those conflict of law rules thereof that would defer to the substantive laws of any other jurisdiction.

Section 23. Waiver of Notice, No Waiver by Action, Rights Cumulative, Etc. Each express waiver, release, relinquishment or similar surrender of rights (however expressed) made by a party under or pursuant this Plan or any Award granted or Contract executed hereunder has been absolutely, unconditionally, irrevocably, knowingly and intentionally made by such person. Any waiver or consent respecting this Plan or any Award granted or Contract executed hereunder shall be effective only if in writing and signed by the required parties and then only in the specific instance and for the specific purpose for which given. No waiver or consent shall be deemed (regardless of frequency given) to be a further or continuing waiver or consent. A person or its designee may accept or reject any payment, reimbursement or performance without affecting any of its rights, powers, privileges, remedies and other interests under this Plan or any Award granted or Contract executed hereunder. No voluntary notice to or demand on any party in any case shall entitle such party to any other or further notice or demand. Except as expressly provided otherwise this Plan or any Award granted or Contract executed hereunder, (a) no failure or delay by any party in exercising any right, power, privilege, remedy, interest or entitlement hereunder shall be deemed or construed to be a waiver thereof, (b) no single or partial exercise thereof shall preclude any other or further exercise or enforcement thereof or the exercise or enforcement of any other right, power, privilege, interest or entitlement, and (c) the rights, powers, privileges, remedies, interests and entitlements under this Plan or any Award granted or Contract executed hereunder shall be cumulative, are not alternatives, and are not exclusive of any other right, power, privilege, remedy, interest or entitlement provided by this Plan, by any Award granted or Contract executed hereunder, or by Applicable Law.

Section 24. Severability. In the event that any provision of this Plan or any Award granted or Contract executed hereunder shall be determined to be superseded, invalid, illegal or otherwise unenforceable (in whole or in part) pursuant to Applicable Law by a court or other governmental authority, the parties agree that: (a) any such authority shall have the power, and is hereby requested by the parties, to reduce or limit the scope or duration of such provision to the maximum permissible under Applicable Law or to delete such provision or portions thereof to the extent it deems necessary to render the balance of this Plan or any such Award or Contract enforceable; (b) such reduction, limitation or deletion shall not impair or otherwise affect the validity, legality or enforceability of the remaining provisions of this Plan or any such Award or Contract, which shall be enforced as if the unenforceable provision or portion thereof were so reduced, limited or deleted, in each case unless such reduction, limitation or deletion of the unenforceable provision or portion thereof would impair the practical realization of the principal rights and benefits of either party hereunder; and (c) such determination and such reduction, limitation and/or deletion shall not be binding on or applied by any court or other governmental authority not otherwise bound to follow such conclusions pursuant to Applicable Law.

Section 25. Amendments: Future Stockholder Approval. The Corporation reserves the right at any time, by action authorized by its Board or applicable Committee, to supplement, modify, amend or restate, in whole or in part, any or all of the provisions of this Plan (including all provisions hereof incorporated by reference into any Award granted or Contract executed hereunder). This right specifically includes (without limitation) the right to make such amendments effective retroactively, if necessary, to bring this Plan into conformity with applicable provisions of the Code, ERISA, Securities Law, Exchange Rules, Accounting Standards or other Applicable Law that must be complied with so that this Plan may provide the special tax consequences contemplated under the Plan or in connection with an Award. This Plan (a) may not be supplemented, modified, amended, restated, waived, discharged, released or terminated orally, (b) may only be supplemented, modified, amended or restated in a writing signed or approved in writing by the Corporation, and (c) may only be waived, discharged (other than by performance), released or voluntarily terminated in a writing signed by the Corporation, subject to any required stockholder vote as provided below. Any Award granted or Contract executed hereunder (excluding all provisions hereof incorporated by reference therein) (a) may not be supplemented, modified, amended, restated, waived, discharged, released or terminated orally, (b) may only be supplemented, modified, amended or restated in a writing signed or approved in writing by the Corporation and by the applicable Awardee, and (c) may only be waived, discharged (other than by performance), released or voluntarily terminated in a writing signed or approved in writing by the Corporation and by the applicable Awardee. Any amendment to this Plan shall be subject to approval (i) by the Board (upon the recommendation of the Compensation Committee to the extent provided by the Charter), and (ii) if and to the extent required by Applicable Law or applicable Exchange Rules, or if the Board otherwise directs that the matter be submitted to the Corporation's stockholders, by (A) the holders of a majority of the votes present in person or by proxy entitled to vote hereon at a duly held meeting of the Corporation's stockholders at which a quorum is present or (B) the Corporation's stockholders acting in accordance with the provisions of Section 228 of the DEGCL.

Section 26. Certain Definitions.

- (a) "**1995 Plan**" shall mean the Amended and Restated 1995 Stock Option Plan of the Corporation, as the same may have been supplemented, modified, amended, restated or replaced from time to time in the manner provided therein.
- (b) "**2000 Plan**" shall mean the 2000 Stock Option Plan of the Corporation, as the same may have been supplemented, modified, amended, restated or replaced from time to time in the manner provided therein.
- (c) "**2008 Plan**" shall mean the 2008 Stock Compensation Plan of the Corporation, as the same may have been supplemented, modified, amended, restated or replaced from time to time in the manner provided therein.
- (d) "**Accounting Standards**" shall mean the generally accepted accounting standards then in effect, as established, supplemented, modified, amended, restated or replaced from time to time by the Financial Accounting Standards Board and other generally recognized U.S. accounting authorities.
- (e) "**Applicable Law**" shall mean, to the extent applicable: (i) any Exchange Rules; (ii) ERISA, the Code or other federal tax or similar law; (iii) the Securities Law and other federal law of the United States of America; (iv) the DEGCL and the DEUCC; (v) to the extent that such federal law is not dispositive and does not preempt local law, and the DEGCL and DEUCC are not applicable, the Applicable Law of the State of New York; and (vi) to the extent the foregoing are inapplicable, any other applicable federal, state, territorial, provincial, county, municipal or other governmental or quasi-governmental law, statute, ordinance, requirement or use or disposal classification or restriction; whether domestic or foreign; in each case (A) including (without limitation) any and all rules and regulations promulgated under any of the foregoing and then in effect, and (B) as the same may be adopted, supplemented, modified, amended or restated from time to time or any corresponding or succeeding law or provision.
- (f) "**Awardee**" shall mean any recipient of an Award under this Plan, and shall consist solely of eligible individuals as set forth under Section 4, above, and paragraph (a) of Instruction A.1 of Form S-8, and otherwise in accordance with the terms of this Plan.
- (g) "**Business Day**" shall mean any day other than (i) any Saturday or Sunday or (ii) any day the Securities and Exchange Commission is closed".
- (h) "**Cause**" shall mean, in connection with the termination of an Awardee, (I) "cause", as such term (or any similar term, such as "with cause", "Termination for Cause", or the like) is defined in any employment, consulting, severance, or other applicable agreement for services or termination agreement between such Awardee and any SGRP Company or SGRP Consultant, or (II) in the absence of such an agreement, "cause" as such term is defined in the Contract executed by the Corporation and such Awardee pursuant to Section 10, or (III) in the absence of both of the foregoing, any of the following reasons: (other than where the applicable events are based upon or also constitute good reason for the Awardee's actions) (i) the Awardee's willful, grossly negligent or repeated breach (whether through neglect, negligence or otherwise) in any material respect of, or the Awardee's willful, grossly negligent or repeated nonperformance, misperformance or dereliction (whether through neglect, negligence or otherwise) in any material respect of any of his or her duties and responsibilities to any SGRP Company or the Awardee's employer, whether under, any agreement or document with any SGRP Company or the Awardee's employer, any of the directives, ethics or other codes, controls, policies or procedures of any SGRP Company or the Awardee's employer adopted or implemented from time to time, or otherwise, in each case other than in connection with any excused absence or diminished capacity; (ii) the gross or repeated disparagement by the Awardee of the business or affairs of the Corporation, any SGRP Company, Awardee's employer or any of their Representatives that in the reasonable judgment of SGRP adversely affected or would be reasonably likely to adversely affect the operations or reputation of any such person; (iii) any resume, application, report or other information furnished to any SGRP Company or Awardee's employer by or on behalf of the Awardee shall be in any material respect untrue, incomplete or otherwise misleading when made or deemed made; (iv) the Awardee is indicted for, charged with, admits or confesses to, pleads guilty or no contest to, adversely settles respecting or is convicted of (A) any willful dishonesty or fraud (whether or not related to any SGRP Company or Awardee's employer) (B) any material breach of any Applicable Law, (C) any assault or other violent crime, (D) any theft, embezzlement or willful destruction by the Awardee of any asset or property of any SGRP Company or Awardee's employer or any of their respective representatives, customers or vendors, (E) any other misdemeanor involving moral turpitude, or (F) any other felony; (vi) alcohol or drug abuse by the Awardee; or (v) any other event or circumstance that constitutes cause for termination of an employee under Applicable Law and is not described in another clause of this subsection; provided, however, that termination for Cause shall not be considered present unless the same has been determined by the SGRP Compensation Committee in their sole and absolute discretion.

(i) "**Charter**" shall mean, as and to the extent applicable, the By-Laws of the Corporation, as amended, the charter of the Compensation Committee or other committee comprising the Compensation Committee, as amended, and all resolutions of the Board, Compensation Committee or such other committee having continuing effect.

(j) "**Code**" shall mean the Internal Revenue Code of 1986, as amended, and any and all rules and regulations promulgated thereunder and then in effect.

(k) "**Constituent Corporation**" shall mean any corporation that engages with any SGRP Company or SGRP Consultant in a transaction to which Section 424(a) of the Code applies (or would apply if the option or SAR assumed or substituted were an ISO), or any Parent or any Subsidiary of such corporation.

(l) "**DEGCL**" shall mean the General Corporation Law of the State of Delaware, as amended.

(m) "**DEUCC**" shall mean Article 8 of the Uniform Commercial Code of the State of Delaware, as amended.

(n) "**Disability**" shall mean a permanent and total disability within the meaning of Section 22(e)(3) of the Code.

(o) "**Exchange Rules**" shall mean the charter or other organizational or governance document or listing or other requirements of the applicable national securities exchange or market on which SGRP's stock is listed or quoted (currently Nasdaq), or any other applicable self-regulatory or governing body or organization, and the rules and regulations promulgated thereunder, as the same may be adopted, supplemented, modified, amended or restated from time to time or any corresponding or succeeding rule, regulation or provision.

(p) "**ERISA**" shall mean the Employee Retirement Income Security Act of 1974, as amended, and any and all rules and regulations promulgated thereunder and then in effect.

(q) "**Fair Market Value**" shall mean the fair market value of a share of Common Stock on any day that shall be: (i) if the principal market for the Common Stock is a national securities exchange, the closing sales price per share of the Common Stock on such day as reported by such exchange or on a consolidated tape reflecting transactions on such exchange; or (ii) if the principal market for the Common Stock is not a national securities exchange, the average of the closing bid and asked prices per share for the Common Stock on such day as reported on the OTC Bulletin Board Service or by National Quotation Bureau, Incorporated or a comparable service; provided, however, that if clauses (i) and (ii) of this subsection are all inapplicable because the Corporation's Common Stock is not publicly traded, or if no trades have been made or no quotes are available for such day, the fair market value of a share of Common Stock shall be determined by the Administrators by any method consistent with the provisions of the Code, ERISA, Securities Law, Exchange Rules and Accounting Standards applicable to the relevant Awards.

(r) "**Legal Representative**" shall mean the executor, administrator or other person who at the time is entitled by law to exercise the rights of a deceased or incapacitated Awardee with respect to an Award granted under this Plan.

(s) "**Parent**" shall mean a "parent corporation" within the meaning of Section 424(e) of the Code.

(t) **"Performance Goal"** shall mean one or more performance measures or goals set by the Administrators in their sole and absolute discretion for each grant of a performance-based compensation Award. The extent to which such performance measures or goals are met will determine the amount or value of the performance-based compensation Award that an Awardee is entitled to exercise, receive, or retain. Performance Goals may be particular to an Awardee; may relate to the performance of a Subsidiary, operating segment, division, branch, strategic business unit, or line of business, which employs him or her; or may be based on the performance of the Corporation generally. Performance Goals may be based on Common Stock value or increases therein; earnings per share or earnings per share growth; net earnings, earnings, or earnings growth (before or after one or more of taxes, interest, depreciation, and/or amortization); operating profit; operating cash flow; operating or other expenses; operating efficiency; return on equity, assets, capital, or investment; sales or revenues or growth thereof; working capital targets or cost control measures; regulatory compliance; gross, operating, or other margins; credit ratings; productivity; customer satisfaction; satisfactory internal or external audits; improvement of financial ratings; achievement of balance sheet or income statement objectives; quality measures; and any component or components of the foregoing (including, without limitation, determination thereof with or without the effect of discontinued operations and dispositions of business segments, non-recurring items, material extraordinary items that are both unusual and infrequent, special charges, and/or accounting changes), or implementation, management, or completion of critical projects or processes or other measurement determined by the Administrators. Performance Goals may include a threshold level of performance below which no payment or vesting may occur, levels of performance at which specified payments or specified vesting will occur, and a maximum level of performance above which no additional payment or vesting will occur. Performance Goals may be absolute in their terms or measured against or in relationship to a market index; a group of other companies comparably, similarly, or otherwise situated; or a combination thereof. Each of the Performance Goals shall be determined, where applicable and except as provided herein or in the applicable Contract, in accordance with generally accepted accounting principles applied in the United States of America. The Administrators, in their sole and absolute discretion and at any time, may adjust any Performance Goal and any evaluation of performance under a Performance Goal to take into account any of the following events that occurs during a performance period: (i) asset write-downs, (ii) litigation or claim judgments or settlements, (iii) the effect of changes in tax law, accounting principles or other such laws or provisions affecting reported results, (iv) accruals for reorganization and restructuring programs, and (v) any extraordinary non-recurring items as described in Accounting Principles Board Opinion No. 30 (or in any replacement thereof) and/or in management's discussion and analysis of financial condition and results of operations appearing in the Corporation's annual report to stockholders for the applicable year. In addition, the Administrators, in their sole and absolute discretion and at any time, may adjust any Performance Goal and any evaluation of performance under a Performance Goal on such basis and for such reason as it may determine.

(u) **"Period of Restriction"** shall mean the period during which Restricted Stock or RSUs are restricted, pursuant to Section 7 or 8 herein.

(v) **"Retires"** and **"Retirement"** shall mean, subject to Section 4 of this Plan), the voluntary termination by an Awardee of such person's status as a director (whether or not an employee), officer (whether or not an employee), employee or consultant to any SGRP Company or SGRP Consultant, in each case so long as: (i) such person shall be at least 65 years of age or such younger age as (A) may be specifically provided for retirement in the applicable Contract or Awardee's written employment, consulting, retirement or termination contract, or (B) the Administrators in their discretion may permit in any particular case or class of cases; and (ii) such person shall not be employed full time by anyone else except as (A) may be otherwise specifically permitted following retirement in the applicable Contract or Awardee's written employment or consulting or termination contract, or (B) the Administrators in their discretion may permit in any particular case or class of cases.

(w) **"Securities Act"** shall mean the Securities Act of 1933, as amended, and any and all rules and regulations promulgated thereunder and then in effect.

(x) **"Securities Exchange Act"** shall mean the Securities Act of 1934, as amended, and any and all rules and regulations promulgated thereunder and then in effect.

(y) **"Securities Law"** shall mean the Securities Act, the Securities Exchange Act, the Sarbanes-Oxley Act of 2002, as amended, any "blue sky" or other applicable federal or state securities law, or any other comparable law of any applicable jurisdiction, as amended and any and all rules and regulations promulgated thereunder and then in effect.

(z) **"SGRP Board"** shall mean the Board of Directors of SGRP.

(aa) **"SGRP By-Laws"** shall mean the By-Laws of SGRP, including (without limitation) the charters of the SGRP Audit Committee, SGRP Compensation Committee and the SGRP Governance Committee, as the same may have been and hereafter may be adopted, supplemented, modified, amended or restated from time to time in the manner provided therein.

(bb) **"SGRP Committee"** shall mean the SGRP Board's Audit Committee, the SGRP Board's Compensation Committee, the SGRP Board's Governance Committee or any other committee of the SGRP Board established from time to time, as applicable.

(cc) **"SGRP Company"** shall mean SGRP, any Parent of SGRP, or any direct or indirect Subsidiary of SGRP. The subsidiaries of SGRP at the referenced date are listed in Exhibit 21.1 to SGRP's most recent Annual Report on Form 10-K as filed with the U.S. Securities and Exchange Commission (a copy of which can be viewed at the Corporation's website (www.SMFinc.com) under the tab/sub-tab of Investor Relations/SEC Filings).

(dd) **"SGRP Consultant"** shall mean any corporation, limited liability company, partnership, trust or other entity, or any individual consultant (who shall be deemed to be his or her own employee for the purpose of this Plan), that provides bona fide consulting services to any SGRP Company. SGRP Consultants have included and may include affiliates of SGRP.

(ee) **"Subsidiary"** shall mean a "subsidiary corporation" within the meaning of Section 424(f) of the Code.

Section 27. Construction, Interpretation, Headings, Etc. In this Plan and each Award granted and Contract executed hereunder: (a) the meaning of each capitalized term or other word or phrase defined in singular form also shall apply to the plural form of such term, word or phrase, and vice versa; each singular pronoun shall be deemed to include the plural variation thereof, and vice versa; and each gender specific pronoun shall be deemed to include the neuter, masculine and feminine, in each case as the context may permit or required; (b) any bold text, italics, underlining or other emphasis, any table of contents, or any caption, section or other heading is for reference purposes only and shall not affect the meaning or interpretation of this Plan; (c) the word "event" shall include (without limitation) any event, occurrence, circumstance, condition or state of facts; (d) this Plan includes each schedule and exhibit hereto, all of which are hereby incorporated by reference into this Plan, and the words "hereof", "herein" and "hereunder" and words of similar import shall refer to this Plan (including all schedules and exhibits hereto) and the applicable statement(s) of work as a whole and not to any particular provision of any such document; (e) the words "include", "includes" and "including" (whether or not qualified by the phrase "without limitation" or the like) shall not in any way limit the generality of the provision preceding such word, preclude any other applicable item encompassed by the provision preceding such word, or be deemed or construed to do so; (f) unless the context clearly requires otherwise, the word "or" shall have both the inclusive and alternative meaning represented by the phrase "and/or"; (g) each reference to any ethics code, financial or reporting control or governing document or policy of SGRP adopted or implemented from time to time or the Awardee's employer shall include those of each SGRP Company, any Securities Law or Exchange Rules, or other Applicable Law, whether generically or specifically, shall mean the same as then in effect; and (h) each provision of this Plan and each Award granted and Contract executed hereunder shall be interpreted fairly as to as to all parties and persons irrespective of the primary drafter of such provision.

Section 28. Recovery of Compensation in Connection with Financial Restatement or Corporation Policy. Notwithstanding any other provision of this Plan or any applicable Award Agreement to the contrary, if the Corporation is required to restate its financial statements due to material noncompliance with any financial reporting requirement under the law or any ethics code, financial or reporting control or governing document or policy of SGRP adopted or implemented from time to time, and if such non-compliance is the result of material misconduct or other fault of grantee, a grantee shall be required to reimburse the Corporation for any amounts earned or payable with respect to an Award to the extent required by and otherwise in accordance with Applicable Law and any ethics code, financial or reporting control or governing document or policy of SGRP adopted or implemented from time to time.

Section 29. Entire Understanding. This Plan and each Award granted and Contract executed hereunder contain all provisions applicable to the applicable Award and Contract and the entire understanding of the parties with respect thereto and supersede and completely replace all prior and other provisions, promises, assurances and other agreements and understandings (whether written, oral, express, implied or otherwise) among the parties with respect to the matters contained in this Plan and such Award and Contract. Except as otherwise provided in this Plan: this Plan supersedes and completely replaces all earlier versions of this Plan (including the 2008 Plan, 2000 Plan and 1995 Plan) and applies to all Awards made under the Plan after the original Effective Date; and this Plan supersedes and completely replaces the 2008 Plan, 2000 Plan and 1995 Plan such that no further Awards shall be made thereafter under the 2008 Plan, 2000 Plan or 1995 Plan on or after the Effective Date, but this Plan does not modify the administration of, or any of the Continuing Awards or existing Contracts outstanding under, the 2008 Plan, 2000 Plan or 1995 Plan, except that those Continuing Awards may be modified as provided in Section 12 hereof as if they were Awards and Contracts hereunder to the extent the provisions respecting adverse modifications in those plans are not violated by such modification.