

HUDSON TECHNOLOGIES INC /NY
Form PRE 14A
July 31, 2014

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934 (Amendment No. __)

Filed by the registrant

Filed by a party other than the registrant

Check the appropriate box:

Preliminary proxy statement

Confidential, For Use Commission Only (as of the permitted by Rule 14a-6(e) (2))

Definitive proxy statement

Definitive additional materials

Soliciting material pursuant to Section 240.14a-12

Hudson Technologies, Inc.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of filing fee (Check the appropriate box):

No fee required.

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(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

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(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing party:

(4) Date filed:

HUDSON TECHNOLOGIES, INC.

PO Box 1541, One Blue Hill Plaza

Pearl River, New York 10965

August __, 2014

Dear Fellow Shareholders:

You are cordially invited to attend the Annual Meeting of Shareholders which will be held on Wednesday, September 17, 2014 at 10:00 A.M., local time at the Pearl River Hilton, 500 Veterans Memorial Highway, Pearl River, New York 10965. The Notice of Annual Meeting and Proxy Statement which follow describe the business to be conducted at the meeting.

Whether or not you plan to attend the Annual Meeting in person, it is important that your shares be represented and voted. After reading the enclosed Notice of Annual Meeting and Proxy Statement, I urge you to complete, sign, date and return your proxy card in the envelope provided. If the address on the accompanying material is incorrect, please inform our Transfer Agent, Continental Stock Transfer & Trust Company, at 17 Battery Place, New York, New York 10004, in writing, of the correct address.

Your vote is very important, and we will appreciate a prompt return of your signed proxy card. We hope to see you at the meeting.

Cordially,

Kevin J. Zugibe, P.E.
Chairman of the Board and
Chief Executive Officer

HUDSON TECHNOLOGIES, INC.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON SEPTEMBER 17, 2014

To the Shareholders of HUDSON TECHNOLOGIES, INC.:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders of Hudson Technologies, Inc. (the "Company") will be held on Wednesday, September 17, 2014 at 10:00 A.M., local time at the Pearl River Hilton, 500 Veterans Memorial Highway, Pearl River, New York 10965 for the following purposes:

1. Election of four directors to serve as follows: (i) in the event the proposal for the amendment of the Company's By-laws is approved, the election of a class of two directors who shall serve until the Annual Meeting of Shareholders to be held in 2017 or until their successors have been elected and qualified, and a class of two directors who shall serve until the Annual Meeting of Shareholders to be held in 2016 or until their successors have been elected and qualified; or (ii) if the proposal for the amendment of the Company's By-laws is not approved, the election of four directors who shall serve until the Annual Meeting of Shareholders to be held in 2016;
2. Approval of an amendment to the Company's By-Laws to provide that the Board shall be divided into three (3) classes, with each class to have a term of three years and to consist, as nearly as possible, of an equal number of directors constituting the entire Board;
3. Approval of the Company's 2014 Stock Incentive Plan;
4. Advisory vote to approve named executive officer compensation;
5. Ratification of the appointment of BDO USA, LLP as the Company's independent registered public accountants for the fiscal year ending December 31, 2014; and

6. Transaction of such other business as may properly come before the meeting or any adjournment or adjournments thereof.

Only shareholders of record at the close of business on July 29, 2014 are entitled to notice of and to vote at the Annual Meeting or any adjournments thereof.

By Order of the Board of Directors

Stephen P. Mandracchia
Secretary

August __, 2014

IF YOU DO NOT EXPECT TO BE PRESENT AT THE MEETING:

PLEASE FILL IN, DATE, SIGN AND RETURN THE ENCLOSED PROXY CARD IN THE ENVELOPE PROVIDED FOR THAT PURPOSE, WHICH REQUIRES NO POSTAGE IF MAILED IN THE UNITED STATES. THE PROXY MAY BE REVOKED AT ANY TIME PRIOR TO EXERCISE, AND IF YOU ARE PRESENT AT THE MEETING YOU MAY, IF YOU WISH, REVOKE YOUR PROXY AT THAT TIME AND EXERCISE THE RIGHT TO VOTE YOUR SHARES PERSONALLY.

PROXY STATEMENT

HUDSON TECHNOLOGIES, INC.

ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON SEPTEMBER 17, 2014

This proxy statement is furnished in connection with the solicitation of proxies by the Board of Directors (the "Board") of Hudson Technologies, Inc. (the "Company", "Hudson", "we" or "our") for use at the Annual Meeting of Shareholders (the "Annual Meeting") to be held on Wednesday, September 17, 2014, and including any adjournment or adjournments thereof, for the purposes set forth in the accompanying Notice of Meeting.

Management intends to mail this proxy statement and the accompanying form of proxy to shareholders on or about August ____, 2014.

Proxies in the accompanying form, duly executed, returned and not revoked, will be voted at the Annual Meeting. Any proxy given pursuant to such solicitation may be revoked by the shareholder at any time prior to the voting of the proxy by a subsequently dated proxy, by written notification to the Secretary of the Company, or by personally withdrawing the proxy at the Annual Meeting and voting in person.

The address and telephone number of the principal executive offices of the Company is:

PO Box 1541, One Blue Hill Plaza

Pearl River, New York 10965

Telephone No.: (845) 735-6000

OUTSTANDING STOCK AND VOTING RIGHTS

Only shareholders of record at the close of business on July 29, 2014 (the "Record Date") are entitled to notice of and to vote at the Annual Meeting. As of the Record Date, there were issued and outstanding 32,031,426 shares of the Company's common stock, par value \$.01 per share ("Common Stock"), the only class of voting securities of the Company. Each share of Common Stock entitles the holder thereof to one vote on each matter submitted to a vote at the Annual Meeting.

VOTING PROCEDURES

Directors will be elected by a plurality of the votes cast by the holders of Common Stock in person or represented by proxy at the Annual Meeting, provided a quorum is present at the meeting. Therefore, the nominees receiving the greatest number of votes cast at the meeting will be elected as directors of the Company. Proposal 2 will require the approval of at least two-thirds of the votes cast by the holders of the shares of Common Stock present in person or represented by proxy at the Annual Meeting, provided a quorum is present. Proposals 3, 4 and 5 will be decided by the majority of the votes cast by the holders of the shares of Common Stock present in person or represented by proxy at the Annual Meeting, provided a quorum is present. A quorum will be present at the Annual Meeting if the holders of a majority of the outstanding shares of Common Stock as of the Record Date are present in person or represented by proxy. Votes will be counted and certified by one or more Inspectors of Election who are expected to be employees of Continental Stock Transfer & Trust Company, the Company's transfer agent.

In accordance with applicable law, abstentions and "broker non-votes" (i.e., proxies from brokers or nominees indicating that such persons have not received instructions from the beneficial owners or other persons entitled to vote shares as to a matter with respect to which the brokers or nominees do not have discretionary power to vote) will be treated as present for purposes of determining the presence of a quorum. Based upon the requirements of the law of the State of New York and the Certificate of Incorporation and By-laws, as amended (the "By-laws"), of the Company, "votes cast" at a meeting of shareholders by the holders of shares entitled to vote are determinative of the outcome of each matter to be voted on. Failures to vote, broker non-votes and abstentions will not be considered "votes cast."

Proxies will be voted in accordance with the instructions thereon. If no instructions are given, the proxies will be voted "for" the director nominees and "for" the other proposals set forth herein and in the discretion of the indicated proxies upon such other business as may properly come before the meeting. Proxies may be revoked as noted above.

PROPOSAL 1

ELECTION OF FOUR DIRECTORS TO THE BOARD OF DIRECTORS

The Company's By-laws currently provide that the Board is divided into two classes, with each class to have a term of two years (the term of each class expiring in alternating years) and is to consist, as nearly as possible, of one-half of the number of directors constituting the entire Board. The By-laws provide that the number of directors shall be fixed by the Board but in any event, shall be no less than five (5) (subject to decrease by a resolution adopted by the shareholders).

The Board of Directors has approved an increase in the total number of directors from five to seven. The Board has also approved, and is submitting to the shareholders for approval in Proposal 2 below, an amendment to Section 4 of Article III of the Company's By-laws, substantially in the form of Appendix A attached hereto, to provide that commencing at the Annual Meeting of the shareholders concurrent with the adoption of such amendment, the Board shall be divided into three classes in respect of term of office, each class to contain as near as possible an equal number of directors. If the proposed amendment to the By-laws is approved, two directors shall be elected to a term of three years, and two directors shall be elected to a term of two years. Pursuant to the proposed amendment, commencing with the annual meeting of the shareholders to be held in 2015, and at each annual meeting of the shareholders held thereafter, successors to the class of directors whose terms shall expire that year would be elected to hold office for a term of three years so that the term of office of only one class of directors shall expire in each year. Each director shall hold office from the date of the annual meeting at which said director is elected, until the expiration of the term for which he is elected and until his successor has been elected and qualified, or until his prior resignation or removal.

In the event that the proposed amendment to the By-laws is approved by the shareholders at the Annual Meeting, a class of two directors will be elected to a three-year term expiring at the Annual Meeting of the Shareholders to be held in 2017, and a class of two directors will be elected to a two-year term expiring at the Annual Meeting of Shareholders to be held in 2016. Dominic J. Monetta and Kevin J. Zugibe are the nominees for a three-year term expiring at the Annual Meeting of the shareholders to be held in 2017, and Richard Parrillo and Eric A. Prouty are the nominees for a two-year term expiring at the Annual Meeting of shareholders to be held in 2016.

In the event that the proposed amendment to the By-laws is not approved by the shareholders at the Annual Meeting, a class of four directors will be elected to a two year term expiring at the Annual Meeting of Shareholders to be held in 2016. In such event, Dominic J. Monetta, Richard Parrillo, Eric A. Prouty and Kevin J. Zugibe are the nominees for a two-year term expiring at the Annual Meeting of the Shareholders to be held in 2016.

Messrs Vincent P. Abbatecola, Brian F. Coleman and Otto C. Morch will not stand for election at the Annual Meeting because their respective terms expire at the Annual Meeting of Shareholders to be held in 2015.

Proxies will be voted for the nominees named below, unless authority is withheld. Should any nominee not be available for election, proxies will be voted for such substitute nominee as may be designated by the Board. Each of the nominees has indicated to the Board that he will be available and is willing to serve.

THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE FOR THE ELECTION OF THE NOMINEES SPECIFIED BELOW.

The following is information with respect to the nominees for election as directors at the Annual Meeting that each nominee for director has given us about his age, all positions he holds, his principal occupation and his business experience for at least the past five years. In addition to the information presented below regarding each nominee's specific experience, qualifications, attributes and skills that led our Board to the conclusion that he should serve as a director, we also believe that all of our directors have a reputation for integrity, honesty and adherence to high ethical standards. They each have demonstrated business acumen and an ability to exercise sound judgment, as well as a commitment to service to the Company and our Board.

Name	Age	Position
Dominic J. Monetta	72	Director
Richard Parrillo	61	Director
Eric A. Prouty	44	Director
Kevin J. Zugibe	50	Director, Chairman and Chief Executive Officer

Dominic J. Monetta, DPA has been a Director of the Company since April 1996. Dr. Monetta has, since August 1993, been the President of Resource Alternatives, Inc., a corporate development firm concentrating on resolving technically oriented managerial issues facing chief executive officers and their senior executives. From December 1991 to May 1993, Dr. Monetta served as the Director of Defense Research and Engineering for Research and Advanced Technology, United States Department of Defense. From June 1989 to December 1991, Dr. Monetta served as the Director of the Office of New Production Reactors, United States Department of Energy. Dr. Monetta's qualifications to sit on our Board include his chemical engineering and other management experience obtained as a senior executive for the US Departments of Energy and Defense. Dr. Monetta has 16 years of experience in the air conditioning and refrigeration industry by virtue of his service on our Board and his experience also includes his membership on the Company's Audit Committee for the last 5 years and Occupational, Safety and Environmental Protection Committee for the last 11 years.

Richard Parrillo has, since 2007 been the Managing Member and principal of Tank Wash USA, LLC, an industrial tank cleaning and inspection company serving the petro-chemical, refrigeration and related services industries. Between 2000 and 2007, Mr. Parrillo was the Managing Member of Brite Clean, LLC. Between 1999 and 2007, Mr. Parrillo was the Managing Member of Matlack Leasing Corporation, and he served as Vice President of Matlack Leasing Corporation, a subsidiary of Matlack Systems, Inc. and predecessor of Matlack Leasing LLC, from 1995 to 1999. From 1990 to 1995, Mr. Parrillo served as North American Sales Manager for Eurotainer USA, Inc. Mr. Parrillo also served as Sales/Operations Manager for SSM Coal North America, Inc, from 1984 to 1990, and worked at Rentco Division of Fruehauf Corp, from 1979 to 1984, serving as District Manager from 1979 to 1983 and as Eastern Regional Manager from 1982 to 1984. Between 1976 and 1979 Mr. Parrillo served as a Branch Manager for Transamerica Transportation Services. We believe that Mr. Parrillo's qualifications to sit on the board include his more than 25 years of business experience in the petrochemical and related service industries, both domestically and internationally, as well as his experience in the areas of mergers, acquisitions, management and sales, having negotiated, acquired and managed 13 related companies over the past 25 years.

Eric A. Prouty has, since January 2012, been an independent consultant providing business development consulting services and has provided such services to Hudson at various times since May 2012. Mr. Prouty has more than 20 years experience as an equity research analyst in the asset management and investment banking industry and was one of the first analysts on Wall Street to focus exclusively on companies in the clean tech/sustainability market. From March 2006 through November 2011, Mr. Prouty served as an equity research analyst for Canaccord Genuity,

formerly known as Canaccord Adams, a global investment banking firm. Between February 2001 and March 2006 Mr. Prouty served as an equity research analyst for Adams Harkness. While at Adams Harkness (predecessor to Canaccord Genuity) Mr. Prouty served on the firm's Board of Directors from 2004 until the sale of the company to Canaccord in early 2006. Mr. Prouty also served as Director of Research from 2004 until 2007 managing a 40 person research department. Between March 2000 and February 2001, Mr. Prouty served as an equity research analyst for the investment banking firm of Robertson Stephens. From November 1996 through March 2000, Mr. Prouty served as an equity research analyst for the investment banking firm of First Albany. Between June 1992 and November 1996, Mr. Prouty served as an equity research associate at State Street Research and Management. We believe that Mr. Prouty's qualifications to sit on the board include his more than 20 years of experience as an equity research analyst in the investment banking field.

Kevin J. Zugibe, P.E., a founder of the Company, has been Chairman of the Board and Chief Executive Officer of the Company since its inception in 1991. From May 1987 to May 1994, Mr. Zugibe was employed as a power engineer with Orange and Rockland Utilities, Inc., a major public utility, where he was responsible for all HVAC applications. Mr. Zugibe is a licensed professional engineer, and from December 1990 to May 1994, he was a member of Kevin J. Zugibe & Associates, a professional engineering firm. We believe Mr. Zugibe's qualifications to sit on our Board include his 26 years of experience in the air conditioning and refrigeration industry including as our founder, our Chairman and Chief Executive Officer for 21 years. Mr. Zugibe is the brother-in-law of Stephen P. Mandracchia.

The following is information with respect to the directors whose terms of office expire at the Annual Meeting of Shareholders to be held in the year 2015:

Name	Age	Position
Vincent P. Abbatecola	68	Director
Brian F. Coleman	52	Director, President and Chief Operating Officer
Otto C. Morch	80	Director

Vincent P. Abbatecola has been a Director of the Company since June 1994. Mr. Abbatecola is President of Abbey Ice & Spring Water, Spring Valley, New York, where he has been employed since May 1971. He was formerly the Chairman of the International Packaged Ice Association and a trustee of Nyack Hospital. Mr. Abbatecola serves on the Rockland Board of Governors, the United Hospice of Rockland Board and the St. Thomas Aquinas College President's Council. We believe that Mr. Abbatecola's qualifications to sit on our Board include his business experience obtained as President, and formerly as Vice President, of Abbey Ice and Spring Water, and his 20 years of experience in the air conditioning and refrigeration industry by virtue of his service on our Board including as Chairman of the Company's Audit Committee for 18 years.

Brian F. Coleman has been a Director of the Company since December 2007, and President and Chief Operating Officer of the Company since August 21, 2001 and served as Chief Financial Officer of the Company from May 1997 until December 2002. From June 1987 to May 1997, Mr. Coleman was employed by, and since July 1995, was a partner with BDO USA, LLP, the Company's independent registered public accounting firm. We believe Mr. Coleman's qualifications to sit on our Board include his prior financial and accounting experience obtained as a partner with BDO USA, LLP, and his 17 years of experience in the air conditioning and refrigeration industry including as our President and Chief Operating Officer for the past 13 years.

Otto C. Morch has been a Director of the Company since March 1996. Mr. Morch was a Senior Vice President of Commercial Banking at Provident Savings Bank, F.A. for more than five years until his retirement in December 1997. We believe that Mr. Morch's qualifications to sit on our Board include his financial and other experience obtained as a Senior Vice President at Provident Savings Bank, F.A., his 18 years of experience in the air conditioning and refrigeration industry by virtue of his service on our Board including his membership on the Company's Audit Committee for 18 years.

The Board has determined that each of Messrs. Abbatecola, Monetta and Morch is an "independent director" and that Mr. Parrillo, if elected, will be an "independent director" within the meaning of applicable NASDAQ Listing Rules.

Board Meetings

A total of 10 meetings of the Board were held during the fiscal year ended December 31, 2013 (“Fiscal 2013”). During Fiscal 2013, no director attended fewer than 75 percent of the aggregate of (1) the Board meetings that were held, and (2) the meetings held by the committees of the Board on which he served.

Committees of the Board of Directors

The Board has established a Compensation Committee, which is responsible for, among other things, assisting the Board in overseeing our executive compensation strategy and reviewing and approving the compensation of our executive officers and for the administration of the Company's employee benefit plans. The Compensation Committee is also responsible for reviewing and approving the compensation of the Company's directors. The executive officers do not determine executive or director compensation, but provide information and recommendations to the Compensation Committee upon its request. The members of the Compensation Committee are Messrs. Abbatecola, Monetta and Morch. Mr. Coleman resigned from the Compensation Committee in June 2013. The Compensation Committee held 3 meetings during Fiscal 2013. In June 2013, the Board adopted the Hudson Technologies, Inc. Compensation Committee Charter (the “Compensation Committee Charter”). A copy of the Compensation Committee charter was filed as Appendix A to our proxy statement filed July 29, 2013. The Compensation Committee Charter is not available on the Company's website.

The Board also has an Audit Committee which supervises the audit and financial procedures of the Company and is responsible for the selection of the Company's independent registered public accountants. The members of the Audit Committee are Messrs. Abbatecola, Morch and Monetta. The Board has determined that each member of the Audit Committee is an "independent director" within the meaning of the applicable NASDAQ Listing Rules and applicable Securities and Exchange Commission ("SEC") rules under the Securities Exchange Act of 1934 (the "Exchange Act"). The Audit Committee does not have a member that qualifies as a "financial expert" under the federal securities laws. The members of the Audit Committee have each been active in the business community and have broad and diverse backgrounds, and financial experience. Two of the current members have served on the Company's Audit Committee and have overseen the financial review by the Company's independent auditors for more than 12 years. The Company believes that the current members of the Audit Committee are able to fully and faithfully perform the functions of the Audit Committee and that the Company does not need to install a "financial expert" on the Audit Committee. The Audit Committee held 5 meetings during Fiscal 2013. A copy of the Audit Committee charter was filed as Appendix B to our proxy statement filed July 29, 2013. The Audit Committee charter is not available on the Company's website.

The Board also has an Executive Committee which is authorized to exercise the powers of the Board in the general supervision and control of the business affairs of the Company during the intervals between meetings of the Board. The members of the Executive Committee are Messrs. Abbatecola, Morch and Zugibe.

The Board also has an Occupational, Safety and Environmental Protection Committee, which is responsible for satisfying the Board that the Company's Environmental, Health and Safety policies, plans and procedures are adequate. The members of the Occupational, Safety and Environmental Protection Committee are Messrs. Monetta and Zugibe.

The Board has a Nominating Committee whose members consist of Messrs. Abbatecola, Monetta and Zugibe, and which was responsible for recommending to the independent directors the nominees for election to the Board at the annual meeting of the shareholders. In accordance with applicable NASDAQ Listing Rules, the nominees for director at the Annual Meeting named above were selected as nominees to the Board by vote of a majority of the independent directors. When reviewing candidates to our Board, the Nominating Committee and the independent members of the Board consider the evolving needs of the Board and seek candidates that fill any current or anticipated future needs. The Nominating Committee and the independent Board members also believe that all directors should possess the attributes described below in the last paragraph under the caption "Consideration of Director Nominees Recommended by Shareholders." While neither the Nominating Committee nor the Board has a formal policy with respect to diversity, the Nominating Committee and the Board believe that it is important that the Board members represent diverse viewpoints. In considering candidates for the Board, the Nominating Committee and the independent members of the Board consider the entirety of each candidate's credentials in the context of these standards. With respect to the nomination of continuing directors for re-election, the individual's contributions to the Board are also considered. With respect to the nominations of Richard Parrillo and Eric A. Prouty, these individuals were recommended by the Company's Chief Executive Officer for consideration and nomination to the Board.

Shareholder nominations for directors of the Company will be considered by the independent directors subject to the shareholder complying with the procedures described below. The Nominating Committee held one meeting during Fiscal 2013. The Nominating Committee does not have a charter.

Board Leadership Structure

The Board believes our current leadership structure, where our Chief Executive Officer also serves as our Chairman of the Board, provides us with the most effective leadership model by enhancing the Chairman and Chief Executive Officer's ability to provide insight and direction of business strategies and plans to both the Board and our management. The Board believes that a single person, acting in the capacities of Chairman and Chief Executive Officer, provides us with unified leadership and focus and that our business strategies are best served if the Chairman is also a member of our management team. We do not have a lead independent director; however, our Audit Committee and our Compensation Committee are comprised solely of independent directors and our Nominating Committee is comprised of a majority of independent directors. We believe the composition of these three Board committees, the fact that our independent directors determine Board nominees and the compensation of our executive officers, as well as the practice of our independent directors to meet in executive session without our Chief Executive Officer and the other members of our management present, help ensure that our Board maintains a level of independent oversight of management that is appropriate for our Company.

Risk Management

The Board has an active role, as a whole and also at the committee level, in overseeing management of the Company's risks. The Board regularly reviews information regarding the Company's credit, liquidity and operations, as well as the risks associated with each. The Company's Compensation Committee is responsible for overseeing the management of risks relating to the Company's executive compensation plans and arrangements. The Audit Committee oversees management of financial risks and potential conflicts of interest with related parties. The Nominating Committee manages risks associated with the independence of the Board. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire Board is regularly informed through committee reports, or otherwise, about such risks.

Audit Committee Report

In December 2013, the Audit Committee met with management to review and discuss the audit and the procedures and timing of the audit. In February 2014, the Audit Committee met with management to review and discuss the audited financial statements. The Audit Committee also discussed with the Company's independent auditors, BDO USA, LLP the matters required to be discussed by Public Accounting Oversight Board Standard No. 16. The Audit Committee has received the written disclosures and confirming letter from BDO USA, LLP required by the applicable requirements of the Public Accounting Oversight Board regarding its independence and has discussed with BDO USA, LLP its independence from the Company. Based upon the review and discussions referred to above, the Audit Committee ratified its prior recommendation to the Board that the audited financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2013.

The Audit Committee-

Vincent Abbatecola, Otto Morch and Dominic Monetta.

Code of Conduct and Ethics

The Company has adopted a written code of conduct and ethics that applies to all directors, and employees, including the Company's principal executive officer, principal financial officer, principal accounting officer or controller and any persons performing similar functions. The Company will provide a copy of its code of conduct and ethics to any person without charge upon written request addressed to Hudson Technologies, Inc., PO Box 1541, One Blue Hill Plaza, Pearl River, New York 10965, Attention: Stephen P. Mandracchia.

Executive Officers

In addition to Kevin J. Zugibe and Brian Coleman, Messrs. James R. Buscemi, Charles F. Harkins, Jr. and Stephen P. Mandracchia serve as executive officers of the Company. Executive officers are elected annually and serve at the pleasure of the Board. The following is information with respect to such executive officers:

James R. Buscemi, age 61, has been Chief Financial Officer of the Company since December 2002 and prior to that time served as Corporate Controller since joining the Company in 1998. Prior to joining the Company, Mr. Buscemi held various financial positions within Avnet, Inc, including Chief Financial Officer of Avnet's electric motors and component part subsidiary, Brownell Electro, Inc.

Charles F. Harkins, Jr., age 52, has been Vice President of Sales of the Company since December 2003. Mr. Harkins has served in a variety of capacities since joining the Company in 1992. Prior to joining the Company, Mr. Harkins served in the U.S. Army for 13 years attaining the rank of Staff Sergeant; he is a graduate of the U.S. Army Engineering School and the U.S. Army Chemical School.

Stephen P. Mandracchia, age 54, a founder of the Company, has been Vice President Legal and Regulatory of the Company since August 2003 and has been Secretary of the Company since 1995. Mr. Mandracchia has served in a variety of capacities with the Company since 1993. Mr. Mandracchia was a member of the law firm of Martin, Vandewalle, Donohue, Mandracchia & McGahan in Great Neck, New York until 1995 (having been associated with such firm since 1983). Mr. Mandracchia is the brother-in-law of Mr. Zugibe.

COMMUNICATIONS WITH THE BOARD

The Board has established a process for shareholders to send communications to the Board. Shareholders may communicate with the Board individually or as a group by writing to: The Board of Directors of Hudson Technologies, Inc. c/o Corporate Secretary, PO Box 1541, One Blue Hill Plaza, Pearl River, NY 10965. Shareholders should identify their communication as being from a shareholder of the Company. The Corporate Secretary may require reasonable evidence that the communication or other submission is made by a shareholder of the Company before transmitting the communication to the Board.

BOARD ATTENDANCE AT ANNUAL SHAREHOLDER MEETINGS

We have a policy that strongly encourages directors to attend our Annual Meeting of Shareholders. Last year's Annual Meeting of Shareholders was attended by all of our five directors.

CONSIDERATION OF DIRECTOR NOMINEES RECOMMENDED BY SHAREHOLDERS

Shareholders of Hudson wishing to recommend director candidates to the Board must submit their recommendations in writing to the Chairman of the Board, c/o Corporate Secretary, Hudson Technologies, Inc., PO Box 1541, One Blue Hill Plaza, Pearl River, NY 10965.

The independent directors of the Board will consider nominees recommended by Hudson's shareholders provided that the recommendation contains sufficient information for the independent directors to assess the suitability of the candidate, including the candidate's qualifications. Candidates recommended by shareholders that comply with these procedures will be considered either solely by Hudson's independent directors, or by a nominating committee of the Board that is comprised solely of Hudson's independent directors, if such committee exists at the time. The recommendations must also state the name of the shareholder who is submitting the recommendation. In addition, it must include information regarding the recommended candidate relevant to a determination of whether the recommended candidate would be barred from being considered independent under applicable NASDAQ Listing Rules. Each nomination is also required to set forth: (i) a representation that the shareholder making the nomination is a holder of record of capital stock of Hudson entitled to vote at such meeting; (ii) a representation as to the beneficial interest of the shareholder making the nomination including, without limitation, any derivative securities holdings, short interests, hedges and any agreements that increase or decrease such shareholder's voting power; (iii) all stock ownership information with respect to any shareholder or shareholder group with whom the shareholder making the nomination is associated, whether or not such persons constitute a filing group for purposes of Schedule 13D; (iv) whether the shareholder making the nomination intends individually or as part of a group, to deliver a proxy statement and/or form of proxy to holders of at least the percentage of Hudson's outstanding capital stock required to approve or

adopt the proposal, and/or to otherwise solicit proxies in support of such proposal; (v) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among such shareholder and beneficial owner, if any, and their respective affiliates and associates, or others acting in concert therewith, on the one hand, and each proposed nominee, and his or her respective affiliates and associates, or others acting in concert therewith, on the other hand, including, without limitation, all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K if the shareholder making the nomination and any beneficial owner on whose behalf the nomination is made, if any, or any affiliate or associate thereof or person acting in concert therewith, were the “registrant” for purposes of such rule and the nominee were a director or executive officer of such registrant; (vi) such other information regarding each nominee proposed by such shareholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the SEC had the nominee been nominated by the Board; and (vii) the consent of each nominee to serve as a director of Hudson if so elected. A nomination which does not comply with the above requirements or that is not received by the deadline referred to below will not be considered. All shareholder recommendations will be reviewed in the same manner as other potential candidates for board membership.

The qualities and skills sought in prospective members of the Board are determined by the Board. The Board generally requires that director candidates be qualified individuals who, if added to the Board, would provide the mix of director characteristics, experience, perspectives and skills appropriate for Hudson. Criteria to be considered for selection of candidates will include, but not be limited to: (i) business and financial acumen, as determined by the Board in its discretion, (ii) qualities reflecting a proven record of accomplishment and ability to work with others, (iii) knowledge of Hudson's industry, (iv) relevant experience and knowledge of corporate governance practices, and (v) expertise in an area relevant to Hudson. Such persons should not have commitments that would materially conflict with the time commitments of a Director of Hudson.

DEADLINE AND PROCEDURES FOR SUBMITTING BOARD NOMINATIONS

A shareholder wishing to nominate a candidate for election to the Board at the Annual Meeting of Shareholders to be held in 2015, which we currently anticipate will be held in or about August 2015, is required to give written notice containing the required information specified above addressed to the Independent Directors of the Board, c/o Secretary of the Company, Hudson Technologies, Inc., PO Box 1541, One Blue Hill Plaza, Pearl River, NY 10965, of his or her intention to make such a nomination. The notice of nomination and other required information must be received by the Company's Secretary no earlier than May 19, 2015 and no later than June 18, 2015. In the event that the Annual Meeting of Shareholders to be held in 2015 is held either before August 18, 2015 or after November 16, 2015, then the notice of nomination and other required information must be received by the Company's Secretary no later than 90 days prior to the date of such meeting or, within 10 days following the first public pronouncement of the date of such annual meeting if such public announcement is made less than 100 days prior to the date of such meeting.

In addition, to be timely, a shareholder's notice must be updated and supplemented, if necessary, so that the information provided or required to be provided in such notice will be true and correct as of the record date for the 2015 Annual Meeting and as of the date that is 10 business days prior to such meeting or any adjournment or postponement thereof, and such update and supplement must be delivered to, or mailed and received by, the Chairman of the Board of Directors at the principal executive offices of the Company not later than 5 business days after the record date for the meeting (in the case of the update and supplement required to be made as of the record date), and not later than 8 business days prior to the date for the meeting, or if the meeting is adjourned or postponed, on the first practicable date after any adjournment or postponement thereof (in the case of the update and supplement required to be made as of 10 business days prior to the meeting or any adjournment or postponement thereof).

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires the Company's officers and directors and persons who own more than 10% of a registered class of the Company's equity securities (collectively, the "Reporting Persons") to file reports of ownership and changes in ownership with the SEC. Reporting Persons are required by SEC regulations to furnish the Company with copies of all Section 16(a) forms they file.

Based solely on Hudson's review of copies of such forms received by Hudson, and on representations made to us, we believe that during the year ended December 31, 2013, all filing requirements applicable to all Reporting Persons were complied with except for (i) late filings made in December 2013 in connection with stock options issued in August 2012 to Messrs. Abbatecola, Monetta and Morch; (ii) late filings made in November 2013 in connection with stock options issued in October 2013 to Messrs. Abbatecola, Monetta and Morch; and (iii) a late filing made in December 2013 in connection with a sale by Mr. Monetta made in December 2013.

PROPOSAL 2

AMENDMENT OF THE COMPANY'S BY-LAWS TO PROVIDE THAT THE BOARD SHALL BE DIVIDED INTO THREE (3) CLASSES

The Company's By-laws currently provide that the Board is divided into two classes, with each class to have a term of two years (the term of each class expiring in alternating years) and to consist, as nearly as possible, of one-half of the number of directors constituting the entire Board.

The Board of Directors has approved, and submits to the shareholders for approval, an amendment to Section 4 of Article III of the Company's By-laws, substantially in the form of Appendix A attached hereto, to provide that commencing at the first Annual Meeting of the shareholders concurrent with the adoption of this amendment, the board of directors shall be divided into three classes in respect of term of office, each class to contain as near as possible an equal number of directors. Pursuant to the proposed amendment to the By-laws, at the annual meeting of the shareholders held concurrent with the adoption of the amendment to the by-laws, two directors shall be elected to a term of three years, and two directors shall be elected to a term of two years. Pursuant to the proposed amendment, commencing with the annual meeting of the shareholders to be held in 2015, and at each annual meeting of the shareholders held thereafter, successors to the class of directors whose terms shall expire that year would be elected to hold office for a term of three years so that the term of office of only one class of directors shall expire in each year.

Reason for the Proposed Amendment

The Board of Directors has approved an increase in the number of directors from five to seven and has nominated four directors for consideration by the shareholders, including two individuals who, if elected, would be new directors of the Company. The Company is proposing this amendment to the By-laws to minimize the number of directors that stand for election each year in order to avoid the potential for unnecessary disruption and loss of continuity in the makeup of the Board if in any given year a majority of the directors will need to stand for election. The Company also believes that providing for three classes of directors each serving successive three year terms will provide flexibility to the board should the Board have desire, and has the opportunity, to increase the number of directors in the future.

Necessity for Shareholder Approval

The Company is a New York corporation and therefore is governed by the laws of the State of New York including, without limitation, the provisions of the New York Business Corporation Law ("BCL"). Section 704(a) of the BCL requires shareholder approval for any by-law provision that provides that the directors be divided into either two, three or four classes.

Recommendation

The Board of Directors believes that it is in the best interests of the Company that the shareholders authorize the amendment to the By-Laws of the Company to provide that the Board of Directors be divided into three (3) classes.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE “FOR” THE AMENDMENT OF THE COMPANY’S BY-LAWS TO PROVIDE THAT THE BOARD OF DIRECTORS BE DIVIDED INTO THREE (3) CLASSES

PROPOSAL 3

APPROVAL OF 2014 STOCK INCENTIVE PLAN

Subject to the approval of the Company’s shareholders, the Board approved the Hudson Technologies, Inc. 2014 Stock Incentive Plan (the “Stock Incentive Plan”) on July 10, 2014.

General Description of the Stock Incentive Plan

The Stock Incentive Plan may be administered by the Compensation Committee or another committee appointed by the Board from among its members. In the absence of such committee, the Board shall administer the Plan. The Compensation Committee (i) may delegate to one or more of its members, or to one or more agents, such administrative duties as it may deem advisable, and (ii) may delegate any of its responsibilities to a subcommittee comprised of one or more members of the Compensation Committee or to the CEO, including, but not limited to, the authority to make grants of awards of stock rights or options to any officer or employee of the Company, other than officers subject to Section 16 of the Securities Exchange Act of 1934, under the Plan, as the Compensation Committee deems appropriate. Presently, it is anticipated that the Stock Incentive Plan, except as otherwise required in the Plan, will be administered by the Compensation Committee. As used throughout this section, the term “Administrator” refers to the Board, the Compensation Committee, or other Board Committee in its role as administrator of the Stock Incentive Plan, if applicable.

Under the Stock Incentive Plan, the Administrator is authorized to grant awards to non-employee directors, executive officers and other employees of, and consultants and advisors to, the Company or any of its subsidiaries and to determine the number and types of such awards and the terms, conditions, vesting and other limitations applicable to each such award. In addition, the Administrator has the power to interpret the Stock Incentive Plan and to adopt such rules and regulations as it considers necessary or appropriate for purposes of administering the Stock Incentive Plan.

The following types of awards or any combination of them may be granted under the Stock Incentive Plan: (i) incentive stock options, (ii) non-qualified stock options, (iii) stock grants, and (iv) performance awards. The maximum number of shares of Common Stock with respect to which awards may be granted to any individual participant under the Stock Incentive Plan during each of the Company's fiscal years will not exceed 750,000 shares, subject to certain adjustments.

The aggregate number of shares of Common Stock reserved for awards under the Stock Incentive Plan is 3,000,000 shares, subject to adjustments for stock splits, recapitalizations and other specified events. Such shares may be treasury shares or authorized but unissued shares. If any outstanding award is cancelled, forfeited, or surrendered to the Company, shares of Common Stock allocable to such award may again be available for awards under the Stock Incentive Plan. Incentive stock options may be granted only to participants who are executive officers or to other employees of the Company or any of its subsidiaries on the date of the grant, and non-qualified stock options may be granted to any participant in the Stock Incentive Plan. No stock option granted under the Stock Incentive Plan will be exercisable later than ten years after the date it is granted.

Set forth below is a summary of the principal features of the Stock Incentive Plan. The summary of the Stock Incentive Plan is not intended to be complete and is qualified in its entirety by reference to the full text of the Stock Incentive Plan attached to this proxy statement as Appendix B.

Summary of the Stock Incentive Plan

Purpose of the Stock Incentive Plan

The purpose of the Stock Incentive Plan is to provide incentives to attract, retain, motivate and reward highly competent persons as non-employee directors, executive officers and other employees of, or consultants or advisors to, Hudson or any of its subsidiary corporations, limited liability companies or other forms of business entities now existing or hereafter formed or acquired ("Subsidiaries") by providing them with opportunities to acquire shares of Common Stock or to receive other awards under the Stock Incentive Plan, as applicable. Furthermore, the Stock Incentive Plan is intended to assist in further aligning the interests of participants in the Stock Incentive Plan with those of the shareholders of Hudson.

Consideration to be Received by Hudson for the Granting of Awards

The Board believes that Hudson and its Subsidiaries will significantly benefit from having Hudson's non-employee directors, executive officers, other employees, consultants or advisors, receive options to purchase Common Stock and other awards under the Stock Incentive Plan, as applicable. Providing an opportunity to the foregoing participants in the Stock Incentive Plan to acquire Common Stock or benefit from the appreciation of Common Stock is valuable in attracting and retaining highly qualified outside directors, employees, consultants and advisors and in providing additional motivation to such persons to use their best efforts on behalf of Hudson and its shareholders.

Awards

As a single award, or in any combination, the following types of awards may be granted under the Stock Incentive Plan: (i) "Stock Options" (both "Incentive Stock Options" and "Non-Qualified Stock Options") to acquire shares of common stock; (ii) "Stock Grants" which entitle the grantee to acquire shares of Common Stock which may be subject to certain restrictions such as restrictions on transferability; and (iii) "Performance Awards," which entitle the grantee to receive, without payment, shares of Common Stock or the value of such shares following the attainment of performance goals. Awards are evidenced by award agreements in such forms as the Administrator approves from time to time. Each award is subject to such terms and conditions consistent with the Stock Incentive Plan, as determined by the Administrator and as set forth in the award agreement. The Administrator shall have the authority to retract any award granted under the Stock Incentive Plan in case of a material restatement of the financial statements of Hudson or if it is otherwise determined by the Administrator that the previously granted award was not earned by the participant.

Administration of the Stock Incentive Plan

The Stock Incentive Plan may be administered by the Administrator, which may be the Board or the Compensation Committee or, if the Board so determines, by other applicable Board Committee. Under the Stock Incentive Plan, the Administrator is authorized to grant awards to non-employee directors, executive officers, and other employees of and consultants and advisors to, Hudson or any of its Subsidiaries and to determine the number and types of such awards and the terms, conditions, vesting and other limitations applicable to each such award. In addition, the Administrator has the power to interpret the Stock Incentive Plan and to adopt such rules and regulations as it considers necessary or appropriate for purposes of administering the Stock Incentive Plan. The Compensation Committee (i) may delegate to one or more of its members, or to one or more agents, such administrative duties as it may deem advisable, and (ii) may delegate any of its responsibilities to a subcommittee comprised of one or more members of the Compensation Committee or to the CEO, including, but not limited to, the authority to make grants of awards of stock rights or options to any officer or employee of the Company, other than officers subject to Section 16 of the Securities Exchange Act of 1934, under the Plan, as the Compensation Committee deems appropriate.

The Board has the authority to establish stock grant levels and stock ownership guidelines for non-employee directors.

Eligibility and Participation

All non-employee directors, executive officers and other employees of, and consultants and advisors to, Hudson or any of its Subsidiaries, who are significantly responsible for the success and future growth and profitability of Hudson, as determined by the Administrator, are eligible to be participants in the Stock Incentive Plan. As of the date of this proxy statement, five directors, three non-director executive officers and approximately 95 employees were eligible to be participants under the Stock Incentive Plan. We are presently unable to determine the number of consultants or advisors who may be eligible to receive awards under the Stock Incentive Plan. The number of persons covered by the Stock Incentive Plan may increase if we employ additional employees, elect additional directors or retain additional consultants and advisors. A participant's right, if any, to continue to serve Hudson as a director, executive officer or other employee, or otherwise will not be enlarged or otherwise affected by his or her designation as a participant under the Stock Incentive Plan. Participants may receive one or more awards under the Stock Incentive Plan. To date, no awards have been granted under the Stock Incentive Plan.

Shares Subject to Awards

The aggregate number of shares of Common Stock that are currently reserved for awards, including shares underlying stock options, that may be granted under the Stock Incentive Plan is 3,000,000 shares, subject to adjustments for stock splits, recapitalizations and other specified events. The maximum number of shares of Common Stock with respect to

which awards may be granted or measured to any individual participant under the Stock Incentive Plan during any fiscal year of Hudson may not exceed 750,000 shares, subject to certain adjustments. Such shares may be treasury shares or authorized but unissued shares. If any outstanding award is canceled, forfeited, or surrendered to Hudson, the underlying shares of Common Stock allocable to such award may again be available for awards under the Stock Incentive Plan.

Stock Options

Stock Options granted under the Stock Incentive Plan may be either Incentive Stock Options (within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the “Code”)) or Non-Qualified Stock Options that do not qualify as Incentive Stock Options; provided, however, that no Incentive Stock Option may be issued in tandem with a Non-Qualified Stock Option. See “U.S. Federal Income Tax Consequences.”

The Administrator determines the exercise price at which shares underlying a Stock Option may be purchased, whether an Incentive Stock Option or a Non-Qualified Stock Option. However, the exercise price of a Stock Option may not be less than the fair market value of the shares of Common Stock on the date the Stock Option is granted. No Stock Option will be exercisable later than ten years after the date it is granted. Stock Options granted under the Stock Incentive Plan are exercisable at such times as specified in the Stock Incentive Plan and the award agreement relating to the Stock Option. A participant in the Stock Incentive Plan must pay the option exercise price in cash, unless the Administrator prescribes another method consistent with applicable law and the Plan.

Incentive Stock Options may be granted only to executive officers and other employees of Hudson or any of its Subsidiaries on the date of grant. The aggregate market value (determined as of the date of grant) of Common Stock with respect to which Incentive Stock Options are exercisable for the first time by a participant during any calendar year may not exceed \$100,000. Furthermore, Incentive Stock Options may not be granted to any participant who, at the time of grant, owns stock possessing more than 10% of the total combined voting power of all outstanding classes of stock of Hudson or any of its Subsidiaries, unless the exercise price is fixed at not less than 110% of the fair market value of the Common Stock on the date of grant, and such an Incentive Stock Option cannot be exercised more than five years after the date of grant.

Stock Grants

Stock Grants may be granted to non-employee directors, executive officers and other employees of, or consultants or advisors to, Hudson or any of its Subsidiaries. A Stock Grant may include restrictions on the sale or other disposition of the shares covered by the award, and Hudson may have the right to reacquire such shares for no consideration upon termination of the participant's employment within specified periods. The award agreement will specify whether the participant will have, with respect to the shares of Common Stock subject to a Stock Grant, all of the rights of a holder of shares of Common Stock, including the right to receive dividends, if any, and to vote the shares.

Performance Awards

Performance Awards may be granted to executive officers and other employees of Hudson or any of its Subsidiaries. The Administrator will set performance targets at its discretion which, depending on the extent to which they are met, will determine the number and/or value of Performance Awards that will be paid out to the participants and may attach to such Performance Awards one or more restrictions. Performance targets may be based upon Company-wide, divisional and/or individual performance.

Payment of earned Performance Awards may be made in shares of Common Stock or in cash and will be made in accordance with the terms and conditions prescribed or authorized by the Administrator. The participant may elect to defer, or the Administrator may require or permit the deferral of, the receipt of Performance Awards upon such terms as the Administrator deems appropriate.

Performance-Based Awards

Certain awards made under the Stock Incentive Plan may be granted so that they qualify as “performance-based compensation” (as this term is used in Section 162(m) of the Code and the regulations thereunder) and are exempt from the deduction limitation imposed by Section 162(m) of the Code (“Performance-Based Awards”). All Stock Options granted under the Stock Incentive Plan and certain Stock Grants and Performance Awards granted under the Stock Incentive Plan, and the compensation attributable to such awards, are intended (but not required) to (i) qualify as Performance-Based Awards or (ii) be otherwise exempt from the deduction limitation imposed by Section 162(m) of the Code. Among other criteria, awards qualify as Performance-Based Awards if at the time of grant the Administrator is comprised solely of two or more “outside directors” (as this term is used in Section 162(m) of the Code and the regulations thereunder).

In making Performance-Based awards, the Administrator must establish and apply objective performance goals and may use the following performance measures (either individually or in any combination) to set performance targets with respect to Awards intended to qualify as Performance-Based Awards: net sales; pretax income before allocation of corporate overhead and bonus; budget; earnings per share; net income; division, group or corporate financial goals; return on stockholders' equity; return on assets; attainment of strategic and operational initiatives; appreciation in and/or maintenance of the price of Common Stock or any other publicly-traded securities of the Company; market share; gross profits; earnings before interest and taxes; earnings before interest, taxes, depreciation and amortization; economic value-added models; comparisons with various stock market indices; and/or reductions in costs. No Performance-Based Awards may be granted after the first meeting of the shareholders of the Company held five (5) or more years after the date of approval of the Stock Incentive Plan by the shareholders of the Company until the performance measures listed in the Stock Incentive Plan (as originally approved or as subsequently amended) have been resubmitted to and reapproved by the shareholders of the Company in accordance with the requirements of Section 162(m) of the Code, unless such grant is made contingent upon such approval.

Effect of Change in Control

The Stock Incentive Plan provides for the acceleration of certain benefits in the event of a “Change in Control” of Hudson. The meaning of a “Change in Control” is either defined in the participant’s employment agreement or change-in-control agreement, if one exists, or by the Stock Incentive Plan. The Stock Incentive Plan definition includes, among other things, such events as the sale of all or substantially all of the assets of Hudson, any person becoming the beneficial owner of more than 50% of Hudson voting stock, and a merger of Hudson where Hudson stockholders own less than 51% of the voting stock of the surviving entity.

All unvested awards granted under the Stock Incentive Plan will become fully vested immediately upon the occurrence of the Change in Control and such vested awards will be paid out or settled, as applicable, within 60 days upon the occurrence of the Change in Control, subject to requirements of applicable laws and regulations. The Administrator may determine that upon the occurrence of a Change in Control, each Stock Option outstanding will terminate and the holder will receive, within 60 days upon the occurrence of the Change in Control, an amount equal to the excess of the fair market value of the shares underlying the award immediately prior to the occurrence of such Change in Control over the exercise price per share of such award. This cashout amount is payable in cash, in one or more kinds of property (including the property, if any, payable in the transaction) or in a combination thereof, as the Administrator, in its discretion, shall determine.

Adjustments to Awards Due to Changes in Hudson’s Capital Structure

In the event of any change in the shares of Common Stock by reason of a merger, consolidation, reorganization, recapitalization, stock split, reverse stock split, stock dividend, split up, spinoff, combination of shares, exchange of shares, dividend in kind, or other similar change in the corporate structure or distribution (other than normal cash dividends) to stockholders, each outstanding Stock Option will be adjusted. The adjustments will make each award exercisable thereafter for the securities, cash and/or other property as would have been received in respect of the Common Stock subject to such award had the Stock Option been exercised in full immediately prior to the change or distribution. Furthermore, in the event of any such change or distribution, in order to prevent dilution or enlargement of participants’ rights under the Stock Incentive Plan, the Administrator shall make equitable adjustments to, among other things, the number and kind of shares subject to outstanding awards and exercise price of outstanding awards.

Termination of Employment

Except as otherwise expressly provided, if a participant’s employment is terminated due to death or disability, then the participant’s unvested Stock Grants and unexercisable Stock Options shall become vested or exercisable, as applicable, immediately as of the date of the termination of the participant’s employment. All Stock Options that were or became

exercisable as of the date of the participant's death or such termination of employment, will remain exercisable until the earlier of (i) the end of the one-year period following the date of the participant's death or following the date of the termination of his or her employment, as the case may be, or (ii) the date the Stock Option would otherwise expire. All unearned or unvested Performance Awards held by the participant (with a minimum of one year into the performance period) on the date of the participant's death or the date of such termination of his or her employment, as the case may be, will immediately become earned or vested as of such date and will be paid out or settled based on the participant's performance immediately prior to the date of the participant's death or the date of such termination of his or her employment on a pro-rated basis.

Except as otherwise expressly provided, a participant whose employment is voluntarily terminated by the participant, or whose employment is terminated for cause, as defined in the Stock Incentive Plan, forfeits all awards, whether or not vested, exercisable or earned, granted to the participant.

Unless otherwise provided by the Administrator, a participant whose employment is terminated for any reason, other than for cause, death or disability, including, without limitation, retirement, forfeits all unvested, unexercisable and unearned awards granted to the participant. All exercisable Stock Options held by the participant on the date of the termination of his or her employment for any reason other than for voluntary termination, cause, death or disability will remain exercisable until the earlier of (i) the end of the 90-day period following the date of the termination of the participant's employment, or (ii) the date the Stock Option would otherwise expire. The Stock Incentive Plan's provisions relating to termination of employment may be modified in the discretion of the Administrator.

Transferability

Each award granted under the Stock Incentive Plan which is subject to restrictions on transferability and/or exercisability is not transferable otherwise than by will or the laws of descent and distribution, and/or is exercisable, during the participant's lifetime, only by the participant. The Administrator may allow a Stock Option to be exercisable during