

payable in respect of the Performance Award. The Committee may specify the circumstances in which such Performance Awards shall be paid or forfeited in the event of termination of employment by the Participant or other event (including a change in control) prior to the end of a performance period or prior to settlement of such Performance Awards.

8.4 *Written Determinations.* Determinations by the Committee as to the establishment of performance goals, the amount potentially payable in respect of Performance Awards, the level of actual achievement of the specified performance goals relating to Performance Awards, and the amount of any final Performance Award shall be recorded in writing in the case of Performance Awards subject to Section 8.2. Specifically, the Committee shall certify in writing, prior to settlement of each such Performance Award, that the performance objective relating to the Performance Award and other material terms of the Award upon which settlement of the Award was conditioned have been satisfied.

ARTICLE IX

General Provisions

9.1 *Compliance With Laws and Obligations.* The Corporation shall not be obligated to issue or deliver Common Stock in connection with any Award or take any other action under the Plan in a transaction subject to any federal or state law, any requirement under any listing agreement between the Corporation and any national securities exchange or automated quotation system, or any other law, regulation, or contractual obligation of the Corporation, until the Corporation is satisfied that such laws, regulations, and other obligations of the Corporation have been complied with in full. Certificates representing shares of Common Stock delivered under the Plan will be subject to such stop transfer orders and other restrictions as may be applicable under such laws, regulations, and other obligations of the Corporation, including any requirement that a legend or legends be placed thereon. The Corporation shall make best efforts to satisfy the compliance obligations relating to the Plan and Awards in order to avoid adverse effects on Participants under this Section 9.1.

9.2 *Limitation of Participant Rights.* Neither the Plan nor any action taken hereunder shall be construed as (i) giving any employee the right to be retained in the employ of the Corporation or any Affiliate or (ii) interfering in any way with the right of the Corporation or any Affiliate to terminate any employee's employment at any time. Except as expressly provided in the Plan and an Award Document, neither the Plan nor any Award Document shall confer on any person other than the Corporation and the Participant any rights or remedies hereunder or thereunder.

9.3 *Tax Provisions.*

(a) *Withholding.* The Corporation or any Affiliate is authorized to withhold from any Award granted or to be settled, any delivery of Common Stock in connection with an Award, any other payment relating to an Award, or any payroll or other payment to a Participant amounts of federal, state, and local withholding taxes and other taxes due or potentially payable in connection with any transaction involving an Award, and to take such other action as the Committee may deem advisable to enable the Corporation and Participants to satisfy obligations for the payment of withholding taxes and other tax obligations relating to any Award. This authority shall include, but not be limited to, authority to withhold or receive Common Stock or other property and to make cash payments in respect thereof in satisfaction of a Participant's tax obligations; the Committee may require such withholding or permit the Participant to elect withholding, provided that only the minimum amount of Common Stock deliverable in connection with an Award necessary to satisfy statutory withholding

requirements will be withheld unless withholding of a greater amount of Common Stock would not result in additional accounting expense to the Corporation. Upon any withholding or surrender of shares of Common Stock, the shares shall be valued at their Fair Market Value at the date they are withheld or received by the Corporation, except that withheld shares may be valued based on same-day market transactions by the Participant or otherwise for convenience of administration of the Plan.

(b) *Required Notifications of Tax Events.* If any Participant shall make a disqualifying disposition of shares of Common Stock delivered pursuant to the exercise of an Incentive Stock Option (*i.e.*, a disposition described in Code Section 421(b)), such Participant shall notify the Corporation of such disposition within ten days thereof. In any case in which a Participant is permitted to make an election (and does make an election) under Section 83(b) of the Code (to include in gross income in the year of transfer the amounts specified in Code Section 83(b)) in connection with an Award, the Participant shall notify the Corporation of such election within ten days of filing notice of the election with the Internal Revenue Service, in addition to any filing and notification required under Section 83(b) and regulations thereunder. No Participant shall make a Section 83(b) election in connection with any Award unless explicitly authorized in the Award Document or otherwise approved by the Committee.

(c) *Rules for Compliance with Code Section 409A.* The Committee or persons exercising delegated authority under the Plan are authorized to specify rules and regulations to ensure that Awards do not result in tax penalties for Participants under Code Section 409A. In the case of any Award which constitutes a “short-term deferral” under Treasury Regulation § 1.409A-1(b)(4) and providing for a distribution upon the lapse of a substantial risk of forfeiture, if the timing of such distribution is not otherwise specified in the Plan or an Award agreement or other governing document, the distribution shall be made not later than March 15 of the year following the year in which the substantial risk of forfeiture lapsed. In the case of an Award constituting a deferral of compensation under Code Section 409A, if the timing of a distribution following a date or event triggering a distribution is not otherwise specified in the Plan or an Award agreement or other governing document, the distribution shall be made within 60 days after such triggering event. In either case, the Participant shall have no influence on any determination as to the tax year in which the distribution will be made. Any award that was both granted and vested before 2005 and which otherwise might constitute a deferral of compensation under Section 409A is intended to be “grandfathered” under Section 409A, unless such Award is designated by the company as being subject to Section 409A in 2008 or earlier. No amendment or change to the Plan or other change (including an exercise of discretion) with respect to such a grandfathered award after October 3, 2004, shall be effective if such change would constitute a “material modification” of a grandfathered award within the meaning of applicable guidance or regulations under Section 409A, except in the case of an award that is specifically modified before 2009 to become compliant as a 409A Award or compliant with an exemption under Section 409A.

9.4 *Changes to the Plan and Awards.*

(a) *Plan Amendments.* The Committee may, with prospective or retroactive effect, amend, alter, suspend, discontinue, or terminate the Plan without the consent of stockholders or Participants, except that any amendment shall be subject to the approval of the Corporation’s stockholders at or before the first annual meeting of stockholders for which the record date falls on or after the date of such Committee action if such amendment is required under Section 303A.08 of the Listed Company Manual of the New York Stock Exchange or is

otherwise subject to a requirement of stockholder approval under any applicable law or regulation, the rules of any stock exchange or automated quotation system on which the Common Stock may then be listed or quoted, or the Corporation's Bylaws. In addition, the Committee may otherwise, in its discretion, determine to submit other such changes to the Plan to stockholders for approval. The foregoing notwithstanding, without the consent of an affected Participant, except to the extent required by Section 9.1 hereof, no such action may materially impair the rights of such Participant under any Award therefore granted. The foregoing notwithstanding, the Committee shall not amend this Section or Section 4.1, or adopt an amendment that would be subject to stockholder approval under this Section or otherwise would exceed the authority of the Committee under its charter and other corporate governance documents of the Corporation, without the consent of the Board.

(b) *Changes to the Terms of Outstanding Awards.* The Committee may waive any conditions or rights under, or amend, alter, suspend, discontinue, or terminate, any Award previously granted and any Award Document relating thereto; provided, however, that, except to the extent required by Section 9.1 hereof, no such action may materially impair the rights of a Participant under such Award without the consent of the affected Participant and provided further that for Awards that are intended to be settled in Common Stock per their written terms, cash settlement shall be permitted only with the prior approval of the Corporation's Chief Financial Officer. Modifications that are in substance cash settlements are subject to this same requirement. The foregoing notwithstanding, the Committee shall have no authority to waive or modify any Award term after the Award has been granted to the extent the waived or modified term would be inconsistent with Section 3.4 (relating to repricings) or Section 6.2 or otherwise would not be within the discretion of the Committee if it were then granting a new Award.

9.5 *Unfunded Status of Awards other than Restricted Stock.* The Plan is intended to constitute a generally "unfunded" plan for incentive compensation, except with respect to Restricted Stock. With respect to any payments not yet made to a Participant pursuant to an Award other than Restricted Stock, nothing contained in the Plan or any such Award shall give any such Participant any rights that are greater than those of a general creditor of the Corporation. No person shall, prior to exercise or settlement of an Award other than Restricted Stock, acquire any right in or title to any assets, funds, or property of the Corporation whatsoever, including, without limitation, any specific funds, assets, or other property, which the Corporation, in its sole discretion, may set aside in anticipation of a liability under the Plan. Nothing contained in the Plan shall constitute a guarantee that the assets of the Corporation shall be sufficient to pay any benefits to any person.

9.6 *Nonexclusivity of the Plan.* Neither the adoption of the Plan by the Board nor its submission to the stockholders of the Corporation for approval shall be construed as creating any limitations on the power of the Board or Committee to adopt such other compensatory arrangements as it may deem desirable, including, without limitation, the granting of equity or cash incentives otherwise than under the Plan, and such arrangements may be either applicable generally or only in specific cases.

9.7 *Fractional Shares.* No fractional shares of Common Stock shall be issued or delivered pursuant to the Plan or any Award, unless the Committee determines that it is administratively feasible and desirable to deliver fractional shares (such as through an intermediary that can credit accounts with fractional shares). In cases in which fractional shares are not delivered, the Committee shall determine whether cash, other Awards, or other property shall be issued or paid in

lieu of such fractional shares, whether such fractional shares or any rights thereto shall be forfeited or otherwise eliminated, or other treatment accorded to such fractional shares.

9.8 *Awards Not Compensation Under Plans.* No Award shall be considered as compensation under any employee benefit plan of the Corporation or an Affiliate except as specifically provided in any such plan or otherwise determined by the Committee.

9.9 *Repayments to Participants in Connection with Forfeitures.* Unless otherwise determined by the Committee, in the event of a forfeiture of an Award with respect to which a Participant paid cash consideration (for example, a forfeiture of an Option share, if forfeiture conditions applied to shares after exercise), the Participant shall be repaid the amount of such cash consideration.

9.10 *Governing Law.* The validity, construction, and effect of the Plan, any rules and regulations under the Plan, and any Award Document will be determined in accordance with the Federal Home Loan Mortgage Corporation Act of 1970, other federal laws regulating the Corporation, and other laws of the United States. This Plan and the respective rights and obligations of the Corporation and the Participants, except to the extent otherwise provided by Federal law, shall be construed under the laws of the Commonwealth of Virginia (without giving effect to principles of conflicts of laws). The validity, enforceability and effectiveness of any electronic records or electronic signatures used in connection with any Award Document shall be governed by E-SIGN or the Virginia UETA, as applicable.

9.11 *Termination of Authority to Grant Awards Under the 1995 Plan.* Upon effectiveness of the Plan as provided in Section 9.12, the authority to grant new awards under the 1995 Plan shall terminate. In other respects, the 1995 Plan will remain in effect in accordance with its terms, except as provided in Section 4.2 hereof.

9.12 *Stockholder Approval, Termination of Authority to Grant Awards and Termination of the Plan.* The Plan became effective on November 4, 2004. This amendment and restatement of the Plan shall become effective upon its approval by stockholders of the Corporation by an affirmative vote that meets the requirements of the Corporation's Bylaws and of the Listed Company Manual of the New York Stock Exchange as then in effect. No Award may be granted after the tenth anniversary of the latest date upon which stockholders of the Corporation have approved the Plan or an amendment and restatement of the Plan. The Plan will remain in effect thereafter until such time as the Corporation has no further rights or obligations under the Plan with respect to outstanding Awards under the Plan, unless the Plan is earlier terminated by the Committee.