
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM S-8

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

DIGIRAD CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

33-0145723

(I.R.S. Employer
Identification No.)

1048 Industrial Court

Suwanee, GA

(Address of Principal Executive Offices)

30024

(Zip Code)

Digirad Corporation 2018 Incentive Plan

(Full title of the plan)

Matthew G. Molchan

President and Chief Executive Officer

Digirad Corporation

1048 Industrial Court

Suwanee, Georgia 30024

(Name and address of agent for service)

(858) 726-1600

(Telephone number, including area code, of agent for service)

Copy to:

Adam W. Finerman, Esq.

Olshan Frome Wolosky LLP

1325 Avenue of the Americas

New York, NY 10019

(212) 451-2300

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer
Non-Accelerated Filer

Accelerated Filer
Smaller reporting company
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 7(a)(2)(B) of the Securities Act.

CALCULATION OF REGISTRATION FEE

Title of securities to be registered	Amount to be Registered ⁽¹⁾⁽²⁾	Proposed maximum offering price per share	Proposed maximum aggregate offering price	Amount of registration fee
Common Stock, \$0.0001 par value	1,883,378 shares	\$1.26 ⁽³⁾	\$2,373,056.28 ⁽³⁾	\$287.62 ⁽³⁾

1. As described in the Explanatory Note in this registration statement, the number of shares of common stock, par value \$0.0001 per share (“Common Stock”) of Digirad Corporation (the “Company” or the “Registrant”) registered hereby consists of (a) 1,500,000 shares being registered for the first time pursuant to the Digirad Corporation 2018 Incentive Plan (the “2018 Plan”), plus (b) 383,378 shares (the “Carryover Shares”) previously registered under the Digirad Corporation 2014 Equity Incentive Award Plan (the “2014 Plan”) on Form S-8, filed with the Securities and Exchange Commission on June 6, 2014 (Registration Statement No. 333-196562) (the “2014 Plan S-8”). The Carryover Shares were either available for future grants under the 2018 Plan as of April 27, 2018, the date of adoption of the 2018 Plan, or have again become available since April 27, 2018, for issuance pursuant to the reserved share replenishment provisions of the 2014 Plan and may now be issued under the 2018 Plan. A post-effective amendment to the 2014 Plan S-8 to deregister the Carryover Shares is being filed contemporaneously with the filing of this registration statement.

2. In accordance with Rule 416 under the Securities Act of 1933, as amended (the “Securities Act”), this registration statement shall be deemed to cover any additional securities that may from time to time be offered or issued to prevent dilution resulting from stock splits, stock dividends or similar transactions.

3. Pursuant to Rule 457(c) and (h) under the Securities Act of 1933, as amended, the proposed maximum offering price per share, proposed maximum aggregate offering price and the amount of the registration fee are calculated based on the average of the high and low prices of the Registrant’s common stock on the NASDAQ Global Market on November 2, 2018. The Registrant is paying registration fees solely with respect to the 1,500,000 shares of Common Stock being newly registered hereby. The registration fees with respect to the Carryover Shares were paid upon filing of the 2014 Plan S-8 as described in Footnote 1 above, and no further registration fees are required with respect to the Carryover Shares.

EXPLANATORY NOTE

The shareholders of Digirad Corporation (the “Company” or the “Registrant”) approved the Digirad Corporation 2018 Incentive Plan (the “2018 Plan”) on April 27, 2018 (the “Effective Date”). As provided in the 2018 Plan, the following shares of common stock, par value \$0.0001 per share (“Common Stock”) are available for issuance under the 2018 Plan: (a) up to 1,500,000 shares of Common Stock (the “New Shares”); (b) shares of Common Stock (of which there were 308,670 shares) remaining available for future grants under the Digirad Corporation 2014 Equity Incentive Award Plan (the “2014 Plan”) as of the Effective Date (the “Effective Date Shares”); and (c) shares of Common Stock that, after the Effective Date, would again become available for issuance pursuant to the reserved share replenishment provisions of the 2014 Plan (the “Replenishment Shares”) as a result of (i) stock options issued thereunder expiring or becoming unexercisable for any reason before being exercised in full, or (ii) restricted stock being forfeited to the Company or repurchased by the Company pursuant to the terms of the agreements governing such shares. As of November 2, 2018, there were 74,708 Replenishment Shares. The Replenishment Shares and the Effective Date Shares are collectively referred to herein as the “Carryover Shares.” The Company’s authority to grant new awards under the 2014 Plan terminated upon shareholder approval of the 2018 Plan on the Effective Date.

The purpose of this registration statement is to register the New Shares and the Carryover Shares. The Carryover Shares consist of 383,378 shares previously registered under the 2014 Plan on Form S-8, filed with the Securities and Exchange Commission (the “Commission”) on June 6, 2014 (Registration Statement No. 333-196562) (the “2014 Plan S-8”). The 2014 Plan S-8 registered an aggregate of 1,506,733 shares of Common Stock. A post-effective amendment to the 2014 Plan S-8 to deregister the Carryover Shares is being filed contemporaneously with the filing of this registration statement.

PART I

INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS

The information required by this Part I has been omitted from this Registration Statement pursuant to the Note to Part I of Form S-8.

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Certain Documents by Reference.

The following documents filed with the Commission by the Company are hereby incorporated by reference herein:

1. Annual Report on Form 10-K for the fiscal year ended December 31, 2017 (including the material incorporated by reference to the proxy statement contained in the Registrant’s Schedule 14A) filed with the Commission on February 28, 2018;
2. Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, 2018; June 30, 2018; and September 30, 2018, filed with the Commission on May 7, 2018; August 3, 2018; and November 5, 2018, respectively;

3. Current Reports on Form 8-K filed on October 12, 2018; September 10, 2018; June 1, 2018; May 1, 2018; April 3, 2018; February 26, 2018; and February 2, 2018; (excluding any reports or portions thereof that are furnished under Item 2.02 or Item 7.01 and any exhibits included with such Items); and
4. The description of the Company's Common Stock contained in the Company's registration statement on Form 8-A filed under Section 12(g) of the Exchange Act on June 3, 2004, including any subsequent amendment or report filed for the purpose of updating or amending such description.

All documents subsequently filed with the Commission by us pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934, as amended, prior to the filing of a post-effective amendment which indicates that all securities offered herein have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference herein and to be part hereof from the respective dates of filing of such documents.

Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes hereof or of the related prospectus to the extent that a statement contained herein or in any other subsequently filed document which is also incorporated or deemed to be incorporated herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Registration Statement. Notwithstanding the foregoing, the Registrant is not incorporating by reference any documents, portions of documents, exhibits or other information that is deemed to have been furnished to, rather than filed with, the Commission.

Item 4. Description of Securities.

Not applicable.

Item 5. Interests of Named Experts and Counsel.

Not applicable.

Item 6. Indemnification of Officers and Directors.

As permitted by Section 102 of the General Corporation Law of the State of Delaware (the "DGCL"), the Company has adopted provisions in its restated certificate of incorporation and restated bylaws that limit or eliminate the personal liability of its directors for a breach of their fiduciary duty of care as a director. The duty of care generally requires that, when acting on behalf of the Company, directors exercise an informed business judgment based on all material information reasonably available to them. Consequently, a director will not be personally liable to the Company or its stockholders for monetary damages or breach of fiduciary duty as a director, except for liability for:

- any breach of the director's duty of loyalty to the Company or its stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- any act related to unlawful stock repurchases, redemptions or other distributions or payment of dividends; or
- any transaction from which the director derived an improper personal benefit.

These limitations of liability do not affect the availability of equitable remedies such as injunctive relief or rescission. The Company's restated certificate of incorporation also authorizes the Company to indemnify its officers, directors and other agents to the fullest extent permitted under Delaware law.

As permitted by Section 145 of the DGCL, the Company's restated bylaws provide that:

- the Company may indemnify its directors, officers, and employees to the fullest extent permitted by the DGCL, subject to limited exceptions;
- the Company may advance expenses to its directors, officers and employees in connection with a legal proceeding to the fullest extent permitted by the DGCL, subject to limited exceptions; and
- the rights provided in its restated bylaws are not exclusive.

The Company has purchased a policy of directors' and officers' liability insurance that insures its directors and officers against the cost of defense, settlement or payment of a judgment in some circumstances.

Item 7. Exemption from Registration Claimed.

Not applicable.

Item 8. Exhibits.

Exhibit No.	Exhibit Description
4.1	Restated Certificate of Incorporation of Digirad Corporation (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the Commission on May 3, 2006).
4.2	Certificate of Designation of Rights, Preferences and Privileges of Series B Participating Preferred Stock (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the Commission on May 24, 2013).
4.3	Certificate of Amendment of the Restated Certificate of Incorporation of Digirad Corporation (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the Commission on May 1, 2018).
4.4	Amended and Restated Bylaws of Digirad Corporation dated May 4, 2007 and Amendment No. 1 to the Amended and Restated Bylaws of Digirad Corporation dated April 5, 2017 (incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q filed with the Commission on May 1, 2017).
4.5	Form of Specimen Stock Certificate (incorporated by reference to Exhibit 4.1 to the Registration Statement on Form S-1 (File No. 333-113760) filed with the Commission on March 19, 2004).
5.1*	Opinion of Olshan Frome Wolosky LLP.
23.1*	Consent of Independent Registered Public Accounting Firm – BDO USA, LLP.
23.2*	Consent of Olshan Frome Wolosky LLP (included in its opinion filed herewith as Exhibit 5.1).

24* Powers of Attorney (included on the signature page to this Registration Statement).

[99.1 Digirad Corporation 2018 Incentive Plan \(incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K filed May 1, 2018\).](#)

[99.2* Form of 2018 Incentive Plan Restricted Stock Unit Agreement.](#)

[99.3* Form of 2018 Incentive Plan Restricted Stock Unit Agreement \(Performance Based\).](#)

* Filed herewith.

Item 9. Undertakings.

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) to include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;

(iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

Provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) of this section do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement; and

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

- (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Suwanee, State of Georgia, on November 6, 2018.

DIGIRAD CORPORATION

By: /s/ Matthew G. Molchan
Matthew G. Molchan
President, Chief Executive Officer and
Interim Chief Financial Officer

POWER OF ATTORNEY

Each of the undersigned officers and directors of Digirad Corporation a Delaware corporation, hereby constitutes and appoints Matthew G. Molchan his true and lawful attorney-in-fact, with full power of substitution and resubstitution for him and in his name, place and stead, in any and all capacities, to sign any and all amendments, including post-effective amendments to this registration statement, and to file the same, with exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming that the said attorney-in-fact or his substitutes, each acting along, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the date indicated.

Signature	Title	Date
/s/ Matthew G. Molchan Matthew G. Molchan	Director, President, Chief Executive Officer and Interim Chief Financial Officer (Principal Executive Officer and Principal Financial Officer)	November 6, 2018
/s/ Jeffrey E. Eberwein Jeffrey E. Eberwein	Director (Chairman of the Board of Directors)	November 6, 2018
/s/ John M. Climaco John M. Climaco	Director	November 6, 2018

/s/ Michael A. Cunnion
Michael A. Cunnion

Director

November 6, 2018

/s/ John W. Sayward
John W. Sayward

Director

November 6, 2018

/s/ Dimitrios J. Angelis
Dimitrios J. Angelis

Director

November 6, 2018

November 6, 2018

Digirad Corporation.
1048 Industrial Court
Suwanee, GA 30024

Re: Digirad Corporation.
Registration Statement on Form S-8

Ladies and Gentlemen:

We have acted as counsel to Digirad Corporation, a Delaware corporation (the "Company"), in connection with the filing of its registration statement on Form S-8 (the "Registration Statement") with the Securities and Exchange Commission (the "Commission"), relating to 1,883,378 shares (the "Shares") of the Company's common stock, par value \$0.0001 per share (the "Common Stock") issuable pursuant to the terms of and in the manner set forth in the Digirad Corporation 2018 Incentive Plan (the "Plan").

This opinion letter is being delivered at the request of the Company and in accordance with the requirements of Item 601(b)(5) of Regulation S-K promulgated under the Securities Act of 1933, as amended (the "Securities Act").

We advise you that we have examined executed originals or copies certified or otherwise identified to our satisfaction of (i) the Registration Statement, (ii) the Company's Restated Certificate of Incorporation and the Company's Amended and Restated Bylaws, each as amended to date, (iii) the Plan, and (iv) corporate proceedings of the Company, and such other documents, instruments and certificates of officers and representatives of the Company and of public officials, and we have made such examination of law, as we have deemed necessary or appropriate for purposes of the opinion expressed below.

We have assumed for purposes of rendering the opinion set forth herein, without any verification by us, the genuineness of all signatures, the legal capacity of all natural persons to execute and deliver documents, the authenticity and completeness of documents submitted to us as originals and the completeness and conformity with authentic original documents of all documents submitted to us as copies, and that all documents, books and records made available to us by the Company are accurate and complete.

On the basis of the foregoing and in reliance thereon and subject to the assumptions, qualifications and limitations set forth herein, we advise you that in our opinion, the Shares, when issued and paid for pursuant to the terms of and in the manner set forth in the Plan, will be duly and validly issued, fully paid and non-assessable.

We are members of the Bar of the State of New York. We express no opinion as to the effect of any laws other than the laws of the State of New York, the General Corporation Law of the State of Delaware and the Federal laws of the United States of America, each as in effect on the date hereof.

This opinion speaks only at and as of its date and is based solely on the facts and circumstances known to us at and as of such date. We assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in fact or law that may hereafter occur.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement. In giving such consent, we do not thereby concede that our firm is within the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission thereunder.

Very truly yours,

/s/ OLSHAN FROME WOLOSKY LLP

OLSHAN FROME WOLOSKY LLP

Consent of Independent Registered Public Accounting Firm

Digirad Corporation
San Diego, California

We hereby consent to the incorporation by reference in this Registration Statement on Form S-8 of our reports dated February 28, 2018, relating to the consolidated financial statements and the effectiveness of internal control over financial reporting of Digirad Corporation appearing in the Company's Annual Report on Form 10-K for the year ended December 31, 2017.

/s/ BDO USA, LLP

San Diego, California
November 6, 2018

**DIGIRAD CORPORATION
2018 INCENTIVE PLAN
RESTRICTED STOCK UNIT AGREEMENT**

NOTICE OF GRANT OF RESTRICTED STOCK UNITS

Unless otherwise defined herein, the terms defined in the 2018 Incentive Plan (the “**Plan**”) will have the same defined meanings in this Notice of Grant of Restricted Stock Units (the “**Notice of Grant**”) and the Terms and Conditions of Restricted Stock Units attached hereto as Exhibit A (together, the “**Agreement**”).

Participant: [Name]

Address: _____

Participant has been granted an Award of Restricted Stock Units, subject to the terms and conditions of the Plan and this Agreement, as follows:

Date of Grant: [Date]

Vesting Commencement Date: [Date]

Number of Restricted Stock Units: [Shares] (shares)

Vesting Schedule:

Subject to any acceleration provisions contained in the Plan or set forth below, the Restricted Stock Units will vest in accordance with the following schedule:

[Vesting Schedule and Terms]

Participant will not have the right to receive dividends or dividend equivalents until RSUs are vested and shares are delivered.

As used herein, “**Service Provider**” means any Employee, Consultant or any member of the Board.

In the event Participant ceases to be a Service Provider for any or no reason before Participant vests in the Restricted Stock Unit, the Restricted Stock Unit and Participant’s right to acquire any Shares hereunder will immediately terminate.

Settlement Date:

Once vested, Shares shall be issued within ten (10) Business Days upon satisfaction of all conditions under the Agreement (the date of such delivery of the Shares being hereafter referred to as the “**Settlement Date**”).

By Participant’s signature and the signature of the Company’s representative below, Participant and the Company agree that this Award is granted under and governed by the terms and conditions of the Plan and this Agreement. Participant has reviewed the Plan and this Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Agreement and fully understands all provisions of the Plan and Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions relating to the Plan and Agreement. Participant further agrees to notify the Company upon any change in the residence address indicated above.

PARTICIPANT

DIGIRAD CORPORATION

Signature

By

Print Name

Title

EXHIBIT A

TERMS AND CONDITIONS OF RESTRICTED STOCK UNITS

1. Grant. The Company hereby grants to the Participant named in the Notice of Grant (the “**Participant**”) under the Plan the number of Restricted Stock Units indicated in the Notice of Grant, subject to all of the terms and conditions in this Agreement and the Plan, which are incorporated herein by reference. In the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Agreement, the terms and conditions of the Plan will prevail.

2. Company’s Obligation to Pay. Each Restricted Stock Unit represents the right to receive a Share on the Settlement Date (to the extent vested). Unless and until the Restricted Stock Units will have vested in the manner set forth in the Notice of Grant and Article 11 of the Plan, Participant will have no right to payment of any such Restricted Stock Units. Any Restricted Stock Units that vest in accordance with this Agreement will be paid to Participant (or in the event of Participant’s death, to his or her properly designated beneficiary or estate) in whole Shares, subject to Participant satisfying any applicable tax withholding obligations as set forth in this Agreement.

3. Vesting Schedule. Except as provided in Sections 4 hereof, Sections 7.7 and 7.8 of the Plan and Article 11 of the Plan, and subject to Section 5 hereof, the Restricted Stock Units awarded by this Agreement will vest in accordance with the vesting provisions set forth in the Notice of Grant. Restricted Stock Units scheduled to vest on a certain date or upon the occurrence of a certain condition will not vest in Participant in accordance with any of the provisions of this Agreement, unless Participant will have been continuously a Service Provider from the Date of Grant until the date such vesting occurs.

4. Committee Discretion. The Committee, in its discretion, may as set forth in Section 3.2 of the Plan accelerate the vesting of the balance, or some lesser portion of the balance, of the unvested Restricted Stock Units at any time, subject to the terms of the Plan. If so accelerated, such Restricted Stock Units will be considered as having vested as of the date specified by the Committee.

5. Forfeiture upon Termination of Status as a Service Provider. Notwithstanding any contrary provision of this Agreement, the balance of the Restricted Stock Units that have not vested as of the time of Participant’s termination as a Service Provider for any or no reason will be forfeited and automatically transferred to and reacquired by the Company at no cost to the Company and Participant’s right to acquire any Shares hereunder will immediately terminate.

6. Death of Participant. Any distribution or delivery to be made to Participant under this Agreement will, if Participant is then deceased, be made to Participant’s designated beneficiary, provided such beneficiary has been designated prior to Participant’s death in a form acceptable to the Committee or, if no such beneficiary has been designated or survives Participant, the administrator or executor of Participant’s estate. Any such transferee must furnish the Company with (a) written notice of his or her status as transferee, and (b) evidence satisfactory to the Company to establish the validity of the transfer and compliance with any laws or regulations pertaining to said transfer.

7 . Tax Withholdings. When Shares are issued on the Settlement Date as payment for vested Restricted Stock Units, the Company (or the employing Subsidiary) will withhold a portion of the Shares that have an aggregate market value sufficient to pay the minimum federal, state and local income, employment and any other applicable taxes required to be withheld by the Company (or the employing Subsidiary) with respect to the Shares, if any, unless the Company, in its sole discretion, requires the Participant to make alternate arrangements satisfactory to the Company for such withholdings in advance of the arising of any withholding obligations. The number of Shares withheld pursuant to the prior sentence will be rounded up to the nearest whole Share, with no refund provided for any value of the Shares withheld in excess of the tax obligation as a result of such rounding, all pursuant to such procedures as the Committee may specify from time to time.

Notwithstanding any contrary provision of this Agreement, no Shares will be issued unless and until all income, employment and other taxes which the Company determines must be withheld or collected with respect to such Shares have been withheld. In addition and to the maximum extent permitted by law, the Company (or the employing Subsidiary) has the right to retain without notice from salary or other amounts payable to the Participant, cash having a sufficient value to satisfy any tax withholding obligations that the Company determines cannot be satisfied through the withholding of otherwise deliverable Shares. All income and other taxes related to the Restricted Stock Units and any Shares delivered in payment thereof are the sole responsibility of the Participant.

8 . Rights as Stockholder. Neither Participant nor any person claiming under or through Participant will have any of the rights or privileges of a stockholder of the Company in respect of any Shares deliverable hereunder unless and until certificates representing such Shares (which may be in book entry form) will have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to Participant (including through electronic delivery to a brokerage account). For purposes of clarification, prior to such issuance, recordation and delivery, Participant will not have the right to inspect the books of the Company, to institute suit on its behalf or to receive any dividends. After such issuance, recordation and delivery, Participant will have all the rights of a stockholder of the Company including, without limitation, with respect to voting such Shares, receiving dividends and distributions on such Shares, inspecting the books of the Company and to instituting suit on its behalf.

9. **No Guarantee of Continued Service.** PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF THE RESTRICTED STOCK UNITS PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER AT THE WILL OF THE COMPANY (OR THE SUBSIDIARY EMPLOYING OR RETAINING PARTICIPANT) AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS AWARD OF RESTRICTED STOCK UNITS OR ACQUIRING SHARES HEREUNDER. PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND WILL NOT INTERFERE IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE RIGHT OF THE COMPANY (OR THE SUBSIDIARY EMPLOYING OR RETAINING PARTICIPANT) TO TERMINATE PARTICIPANT'S RELATIONSHIP AS A SERVICE PROVIDER AT ANY TIME, WITH OR WITHOUT CAUSE.

10. **Address for Notices.** Any notice to be given to the Company under the terms of this Agreement will be addressed to the Company, in care of its Secretary, at 13100 Gregg Street, Poway, CA 92064, or at such other address as the Company may hereafter designate in writing.

11. **Changes in Restricted Stock Units.** In the event that as a result of a stock or extraordinary cash dividend, stock split, distribution, reclassification, recapitalization, combination of Shares or the adjustment in capital stock of the Company or otherwise, or as a result of a merger, consolidation, spin-off or other corporate transaction or event, the Restricted Stock Units will be increased, reduced or otherwise affected, and by virtue of any such event the Participant will in his or her capacity as owner of unvested Restricted Stock Units which have been awarded to him or her (the "Prior Restricted Stock Units") be entitled to new or additional or different shares of stock, cash or other securities or property (other than rights or warrants to purchase securities); such new or additional or different shares, cash or securities or property will thereupon be considered to be unvested Restricted Stock Units and will be subject to all of the conditions and restrictions that were applicable to the Prior Restricted Stock Units pursuant to this Agreement and the Plan. If the Participant receives rights or warrants with respect to any Prior Restricted Stock Units, such rights or warrants may be held or exercised by the Participant, provided that until such exercise any such rights or warrants and after such exercise any shares or other securities acquired by the exercise of such rights or warrants will be considered to be unvested Restricted Stock Units and will be subject to all of the conditions and restrictions which were applicable to the Prior Restricted Stock Units pursuant to the Plan and this Agreement. The Committee in its absolute discretion at any time may accelerate the vesting of all or any portion of such new or additional shares of stock, cash or securities, rights or warrants to purchase securities or shares or other securities acquired by the exercise of such rights or warrants; provided, however, that the payment of such new or additional awards shall be made at the same time or times as if such awards had vested in accordance with the vesting schedule set forth on the first page of this Agreement (whether or not the Participant remains employed by the Company or by one of its affiliates as of such date(s)).

12. Grant is Not Transferable. Except to the limited extent provided in Section 6 hereof, this grant and the rights and privileges conferred hereby will not be transferred, assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and will not be subject to sale under execution, attachment or similar process. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of this grant, or any right or privilege conferred hereby, or upon any attempted sale under any execution, attachment or similar process, this grant and the rights and privileges conferred hereby immediately will become null and void.

13. Binding Agreement. Subject to the limitation on the transferability of this grant contained herein, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

14. Restrictions on Sale of Securities. The Shares issued as payment for vested Restricted Stock Units under this Agreement will be registered under U.S. federal securities laws and will be freely tradable upon receipt. However, Participant's subsequent sale of the Shares may be subject to any market blackout-period that may be imposed by the Company and must comply with the Company's insider trading policies, and any other applicable securities laws.

15. Additional Conditions to Issuance of Stock. The Company shall not be required to issue any certificate or certificates for Shares hereunder prior to fulfillment of all the following conditions: (a) the admission of such Shares to listing on all stock exchanges on which such class of stock is then listed; (b) the completion of any registration or other qualification of such Shares under any U.S. state or federal law or under the rulings or regulations of the Securities and Exchange Commission or any other governmental regulatory body, which the Committee shall, in its absolute discretion, deem necessary or advisable; (c) the obtaining of any approval or other clearance from any U.S. state or federal governmental agency, which the Committee shall, in its absolute discretion, determine to be necessary or advisable; and (d) the lapse of such reasonable period of time following the date of vesting of the Restricted Stock Units as the Committee may establish from time to time for reasons of administrative convenience.

16. Plan Governs. This Agreement is subject to all terms and provisions of the Plan. In the event of a conflict between one or more provisions of this Agreement and one or more provisions of the Plan, the provisions of the Plan will govern. Capitalized terms used and not defined in this Agreement will have the meaning set forth in the Plan.

17. Committee Authority. The Committee will have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any Restricted Stock Units have vested). All actions taken and all interpretations and determinations made by the Committee in good faith will be final and binding upon Participant, the Company and all other interested persons. No member of the Committee will be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or this Agreement.

18. Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to Restricted Stock Units awarded under the Plan or future Restricted Stock Units that may be awarded under the Plan by electronic means or request Participant's consent to participate in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through any on-line or electronic system established and maintained by the Company or another third party designated by the Company.

19. Captions. Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

20. Agreement Severable. In the event that any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement will continue in full force and effect.

21. Modifications to the Agreement. This Agreement constitutes the entire understanding of the parties on the subjects covered. Participant expressly warrants that he or she is not accepting this Agreement in reliance on any promises, representations, or inducements other than those contained herein. Modifications to this Agreement or the Plan can be made only in an express written contract executed by a duly authorized officer of the Company. However, an amendment to avoid the imposition of an excise tax under Section 409A of the Internal Revenue Code of 1986, as amended (“**Section 409A**”), may be made without Participant consent.

22. Amendment, Suspension or Termination of the Plan. By accepting this Award, Participant expressly warrants that he or she has received an Award of Restricted Stock Units under the Plan, and has received, read and understood a description of the Plan. Participant understands that the Plan is discretionary in nature and may be amended, suspended or terminated by the Company at any time.

23. Governing Law. This Agreement shall be governed by the laws of the State of Delaware, without giving effect to the conflict of law principles thereof. For purposes of litigating any dispute that arises under this Award of Restricted Stock Units or this Agreement, the parties hereby submit to and consent to the jurisdiction of the State of Delaware, and agree that such litigation shall be conducted in the courts of Kent County, Delaware, or the federal courts for the United States for Delaware, and no other courts, where this Award of Restricted Stock Units is made and/or to be performed. Participant waives any and all objections and defenses to bringing any such action before a Delaware court including those relating to lack of personal jurisdiction, improper venue or forum non conveniens.

24. Clawback. The Restricted Stock Units are subject to any clawback policies of the Committee from time to time in effect.

25. Sole Agreement. The Agreement is the entire agreement between the parties, and any and all prior oral and written representations are merged in this Agreement.

26. Right to Future Awards. A Participant’s eligibility for an award with respect to one year shall not be deemed to create or confer on the Participant any right to a grant in any other year, or any benefit or payment in any similar plan or program that may be established by the Company, in respect of any other year.

27. Nature of Payments. Restricted Stock Units shall not be taken into account in computing the compensation of the Participant for purposes of determining any benefit under (i) any pension, retirement or profit sharing plan of the Company, or (ii) any bonus, life insurance or other employee benefit plan of the Company or (iii) any agreement between the Company and the Participant, except as such plan or agreement shall expressly provide.

28. Counterparts. The Notice of Grant may be executed in counterparts, each of which shall be deemed an original but which together shall constitute one and the same instrument.

29. Remedies. In the event of a breach by any party to this Agreement of its obligations under this Agreement, any party injured by such breach, in addition to being entitled to exercise all rights granted by law, including recovery of damages, shall be entitled to specific performance of its rights under this Agreement. The parties agree that the provisions of this Agreement shall be specifically enforceable, it being agreed by the parties that the remedy at law, including monetary damages, for breach of any such provision will be inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is hereby waived.

30. Discretionary Nature of Plan. The Plan is discretionary and may be amended, cancelled, or terminated by the Company at any time in its discretion.

31. ERISA. This Award is not intended to be an “employee pension benefit plan” within the meaning of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) and therefore it not subject to the requirements of such statute on the regulations promulgated thereunder.

32. Section 409A. It is intended that the Restricted Stock Units and any Shares delivered in payment thereof shall either be exempt from Section 409A or shall comply with Section 409A so as not to subject Participant to payment of any other additional tax, penalty or interest imposed under Section 409A. The provisions of this Agreement shall be construed and interpreted to avoid the imputation of any such additional tax, penalty or interest under Section 409A yet preserve (to the nearest extent reasonably possible) the intended benefit payable to the Participant. Notwithstanding the foregoing, the Company makes no representations regarding the tax treatment of any payments hereunder, and the Participant shall be responsible for any and all applicable taxes related to the Restricted Stock Units and any Shares delivered in payment thereof.

33. Cancellation of Units. The Company may, with the Participant’s written consent, cancel any Restricted Stock Units awarded to the Participant under this Award. In the event of such cancellation, all of the Participant’s rights as a former holder of such Restricted Stock Units with respect to such cancelled Restricted Stock Units shall terminate.

34. No Liability of the Company. The Company shall not be liable for the Participant or any other person with respect to any tax consequence expected but not realized by the Participant or other person due to the receipt, vesting or settlement of the Restricted Stock Units.

DIGIRAD CORPORATION
2018 INCENTIVE PLAN
RESTRICTED STOCK UNIT AGREEMENT

(Performance Based)

NOTICE OF GRANT OF RESTRICTED STOCK UNITS

Unless otherwise defined herein, the terms defined in the 2018 Incentive Plan (the “**Plan**”) will have the same defined meanings in this Notice of Grant of Restricted Stock Units (the “**Notice of Grant**”) and the Terms and Conditions of Restricted Stock Units attached hereto as Exhibit A (together, the “**Agreement**”).

Participant: [Name]

Address: _____

Participant has been granted an Award of Restricted Stock Units, subject to the terms and conditions of the Plan and this Agreement, as follows:

Date of Grant: [Date]

Vesting Commencement Date: [Date]

Number of Restricted Stock Units: [Shares] (shares)

Vesting Schedule:

Subject to any acceleration provisions contained in the Plan or set forth below, the Restricted Stock Units will vest in accordance with the following schedule:

[Vesting Schedule and Terms]

AND subject to the Performance Conditions as outlined in TABLE 1, as determined by the Compensation Committee.

Participant will not have the right to receive dividends or dividend equivalents until RSUs are vested and shares are delivered.

As used herein, “**Service Provider**” means any Employee, Consultant or any member of the Board.

In the event Participant ceases to be a Service Provider for any or no reason before Participant vests in the Restricted Stock Unit, the Restricted Stock Unit and Participant's right to acquire any Shares hereunder will immediately terminate.

Settlement Date:

Once vested (including satisfaction of the Performance Condition), Shares shall be issued within ten (10) Business Days upon satisfaction of all conditions under the Agreement (the date of such delivery of the Shares being hereafter referred to as the "**Settlement Date**").

By Participant's signature and the signature of the Company's representative below, Participant and the Company agree that this Award is granted under and governed by the terms and conditions of the Plan and this Agreement. Participant has reviewed the Plan and this Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Agreement and fully understands all provisions of the Plan and Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions relating to the Plan and Agreement. Participant further agrees to notify the Company upon any change in the residence address indicated above.

PARTICIPANT

DIGIRAD CORPORATION

Signature

By

Print Name

Title

TABLE 1

PERFORMANCE CONDITION TARGETS

The performance conditions are set forth as follows:

[Performance Conditions]

EXHIBIT A

TERMS AND CONDITIONS OF RESTRICTED STOCK UNITS

1. Grant. The Company hereby grants to the Participant named in the Notice of Grant (the “**Participant**”) under the Plan the number of Restricted Stock Units indicated in the Notice of Grant, subject to all of the terms and conditions in this Agreement and the Plan, which are incorporated herein by reference. In the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Agreement, the terms and conditions of the Plan will prevail.

2. Company’s Obligation to Pay. Each Restricted Stock Unit represents the right to receive a Share on the Settlement Date (to the extent vested). Unless and until the Restricted Stock Units will have vested in the manner set forth in the Notice of Grant and Article 11 of the Plan, Participant will have no right to payment of any such Restricted Stock Units. Any Restricted Stock Units that vest in accordance with this Agreement will be paid to Participant (or in the event of Participant’s death, to his or her properly designated beneficiary or estate) in whole Shares, subject to Participant satisfying any applicable tax withholding obligations as set forth in this Agreement.

3. Vesting Schedule. Except as provided in Sections 4 hereof, Sections 7.7 and 7.8 of the Plan and Article 11 of the Plan, and subject to Section 5 hereof, the Restricted Stock Units awarded by this Agreement will vest in accordance with the vesting provisions set forth in the Notice of Grant. Restricted Stock Units scheduled to vest on a certain date or upon the occurrence of a certain condition will not vest in Participant in accordance with any of the provisions of this Agreement, unless Participant will have been continuously a Service Provider from the Date of Grant until the date such vesting occurs.

4. Committee Discretion. The Committee, in its discretion, may as set forth in Section 3.2 of the Plan accelerate the vesting of the balance, or some lesser portion of the balance, of the unvested Restricted Stock Units at any time, subject to the terms of the Plan. If so accelerated, such Restricted Stock Units will be considered as having vested as of the date specified by the Committee.

5. Forfeiture upon Termination of Status as a Service Provider. Notwithstanding any contrary provision of this Agreement, the balance of the Restricted Stock Units that have not vested as of the time of Participant’s termination as a Service Provider for any or no reason will be forfeited and automatically transferred to and reacquired by the Company at no cost to the Company and Participant’s right to acquire any Shares hereunder will immediately terminate.

6. Death of Participant. Any distribution or delivery to be made to Participant under this Agreement will, if Participant is then deceased, be made to Participant’s designated beneficiary, provided such beneficiary has been designated prior to Participant’s death in a form acceptable to the Committee or, if no such beneficiary has been designated or survives Participant, the administrator or executor of Participant’s estate. Any such transferee must furnish the Company with (a) written notice of his or her status as transferee, and (b) evidence satisfactory to the Company to establish the validity of the transfer and compliance with any laws or regulations pertaining to said transfer.

7 . Tax Withholdings. When Shares are issued on the Settlement Date as payment for vested Restricted Stock Units, the Company (or the employing Subsidiary) will withhold a portion of the Shares that have an aggregate market value sufficient to pay the minimum federal, state and local income, employment and any other applicable taxes required to be withheld by the Company (or the employing Subsidiary) with respect to the Shares, if any, unless the Company, in its sole discretion, requires the Participant to make alternate arrangements satisfactory to the Company for such withholdings in advance of the arising of any withholding obligations. The number of Shares withheld pursuant to the prior sentence will be rounded up to the nearest whole Share, with no refund provided for any value of the Shares withheld in excess of the tax obligation as a result of such rounding, all pursuant to such procedures as the Committee may specify from time to time.

Notwithstanding any contrary provision of this Agreement, no Shares will be issued unless and until all income, employment and other taxes which the Company determines must be withheld or collected with respect to such Shares have been withheld. In addition and to the maximum extent permitted by law, the Company (or the employing Subsidiary) has the right to retain without notice from salary or other amounts payable to the Participant, cash having a sufficient value to satisfy any tax withholding obligations that the Company determines cannot be satisfied through the withholding of otherwise deliverable Shares. All income and other taxes related to the Restricted Stock Units and any Shares delivered in payment thereof are the sole responsibility of the Participant.

8 . Rights as Stockholder. Neither Participant nor any person claiming under or through Participant will have any of the rights or privileges of a stockholder of the Company in respect of any Shares deliverable hereunder unless and until certificates representing such Shares (which may be in book entry form) will have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to Participant (including through electronic delivery to a brokerage account). For purposes of clarification, prior to such issuance, recordation and delivery, Participant will not have the right to inspect the books of the Company, to institute suit on its behalf or to receive any dividends. After such issuance, recordation and delivery, Participant will have all the rights of a stockholder of the Company including, without limitation, with respect to voting such Shares, receiving dividends and distributions on such Shares, inspecting the books of the Company and to instituting suit on its behalf.

9. **No Guarantee of Continued Service.** PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF THE RESTRICTED STOCK UNITS PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER AT THE WILL OF THE COMPANY (OR THE SUBSIDIARY EMPLOYING OR RETAINING PARTICIPANT) AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS AWARD OF RESTRICTED STOCK UNITS OR ACQUIRING SHARES HEREUNDER. PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND WILL NOT INTERFERE IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE RIGHT OF THE COMPANY (OR THE SUBSIDIARY EMPLOYING OR RETAINING PARTICIPANT) TO TERMINATE PARTICIPANT'S RELATIONSHIP AS A SERVICE PROVIDER AT ANY TIME, WITH OR WITHOUT CAUSE.

10. **Address for Notices.** Any notice to be given to the Company under the terms of this Agreement will be addressed to the Company, in care of its Secretary, at 13100 Gregg Street, Poway, CA 92064, or at such other address as the Company may hereafter designate in writing.

11. **Changes in Restricted Stock Units.** In the event that as a result of a stock or extraordinary cash dividend, stock split, distribution, reclassification, recapitalization, combination of Shares or the adjustment in capital stock of the Company or otherwise, or as a result of a merger, consolidation, spin-off or other corporate transaction or event, the Restricted Stock Units will be increased, reduced or otherwise affected, and by virtue of any such event the Participant will in his or her capacity as owner of unvested Restricted Stock Units which have been awarded to him or her (the "Prior Restricted Stock Units") be entitled to new or additional or different shares of stock, cash or other securities or property (other than rights or warrants to purchase securities); such new or additional or different shares, cash or securities or property will thereupon be considered to be unvested Restricted Stock Units and will be subject to all of the conditions and restrictions that were applicable to the Prior Restricted Stock Units pursuant to this Agreement and the Plan. If the Participant receives rights or warrants with respect to any Prior Restricted Stock Units, such rights or warrants may be held or exercised by the Participant, provided that until such exercise any such rights or warrants and after such exercise any shares or other securities acquired by the exercise of such rights or warrants will be considered to be unvested Restricted Stock Units and will be subject to all of the conditions and restrictions which were applicable to the Prior Restricted Stock Units pursuant to the Plan and this Agreement. The Committee in its absolute discretion at any time may accelerate the vesting of all or any portion of such new or additional shares of stock, cash or securities, rights or warrants to purchase securities or shares or other securities acquired by the exercise of such rights or warrants; provided, however, that the payment of such new or additional awards shall be made at the same time or times as if such awards had vested in accordance with the vesting schedule set forth on the first page of this Agreement (whether or not the Participant remains employed by the Company or by one of its affiliates as of such date(s)).

12. Grant is Not Transferable. Except to the limited extent provided in Section 6 hereof, this grant and the rights and privileges conferred hereby will not be transferred, assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and will not be subject to sale under execution, attachment or similar process. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of this grant, or any right or privilege conferred hereby, or upon any attempted sale under any execution, attachment or similar process, this grant and the rights and privileges conferred hereby immediately will become null and void.

13. Binding Agreement. Subject to the limitation on the transferability of this grant contained herein, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

14. Restrictions on Sale of Securities. The Shares issued as payment for vested Restricted Stock Units under this Agreement will be registered under U.S. federal securities laws and will be freely tradable upon receipt. However, Participant's subsequent sale of the Shares may be subject to any market blackout-period that may be imposed by the Company and must comply with the Company's insider trading policies, and any other applicable securities laws.

15. Additional Conditions to Issuance of Stock. The Company shall not be required to issue any certificate or certificates for Shares hereunder prior to fulfillment of all the following conditions: (a) the admission of such Shares to listing on all stock exchanges on which such class of stock is then listed; (b) the completion of any registration or other qualification of such Shares under any U.S. state or federal law or under the rulings or regulations of the Securities and Exchange Commission or any other governmental regulatory body, which the Committee shall, in its absolute discretion, deem necessary or advisable; (c) the obtaining of any approval or other clearance from any U.S. state or federal governmental agency, which the Committee shall, in its absolute discretion, determine to be necessary or advisable; and (d) the lapse of such reasonable period of time following the date of vesting of the Restricted Stock Units as the Committee may establish from time to time for reasons of administrative convenience.

16. Plan Governs. This Agreement is subject to all terms and provisions of the Plan. In the event of a conflict between one or more provisions of this Agreement and one or more provisions of the Plan, the provisions of the Plan will govern. Capitalized terms used and not defined in this Agreement will have the meaning set forth in the Plan.

17. Committee Authority. The Committee will have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any Restricted Stock Units have vested). All actions taken and all interpretations and determinations made by the Committee in good faith will be final and binding upon Participant, the Company and all other interested persons. No member of the Committee will be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or this Agreement.

18. Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to Restricted Stock Units awarded under the Plan or future Restricted Stock Units that may be awarded under the Plan by electronic means or request Participant's consent to participate in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through any on-line or electronic system established and maintained by the Company or another third party designated by the Company.

19. Captions. Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

20. Agreement Severable. In the event that any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement will continue in full force and effect.

21. Modifications to the Agreement. This Agreement constitutes the entire understanding of the parties on the subjects covered. Participant expressly warrants that he or she is not accepting this Agreement in reliance on any promises, representations, or inducements other than those contained herein. Modifications to this Agreement or the Plan can be made only in an express written contract executed by a duly authorized officer of the Company. However, an amendment to avoid the imposition of an excise tax under Section 409A of the Internal Revenue Code of 1986, as amended (“**Section 409A**”), may be made without Participant consent.

22. Amendment, Suspension or Termination of the Plan. By accepting this Award, Participant expressly warrants that he or she has received an Award of Restricted Stock Units under the Plan, and has received, read and understood a description of the Plan. Participant understands that the Plan is discretionary in nature and may be amended, suspended or terminated by the Company at any time.

23. Governing Law. This Agreement shall be governed by the laws of the State of Delaware, without giving effect to the conflict of law principles thereof. For purposes of litigating any dispute that arises under this Award of Restricted Stock Units or this Agreement, the parties hereby submit to and consent to the jurisdiction of the State of Delaware, and agree that such litigation shall be conducted in the courts of Kent County, Delaware, or the federal courts for the United States for Delaware, and no other courts, where this Award of Restricted Stock Units is made and/or to be performed. Participant waives any and all objections and defenses to bringing any such action before a Delaware court including those relating to lack of personal jurisdiction, improper venue or forum non conveniens.

24. Clawback. The Restricted Stock Units are subject to any clawback policies of the Committee from time to time in effect.

25. Sole Agreement. The Agreement is the entire agreement between the parties, and any and all prior oral and written representations are merged in this Agreement.

26. Right to Future Awards. A Participant’s eligibility for an award with respect to one year shall not be deemed to create or confer on the Participant any right to a grant in any other year, or any benefit or payment in any similar plan or program that may be established by the Company, in respect of any other year.

27. Nature of Payments. Restricted Stock Units shall not be taken into account in computing the compensation of the Participant for purposes of determining any benefit under (i) any pension, retirement or profit sharing plan of the Company, or (ii) any bonus, life insurance or other employee benefit plan of the Company or (iii) any agreement between the Company and the Participant, except as such plan or agreement shall expressly provide.

28. Counterparts. The Notice of Grant may be executed in counterparts, each of which shall be deemed an original but which together shall constitute one and the same instrument.

29. Remedies. In the event of a breach by any party to this Agreement of its obligations under this Agreement, any party injured by such breach, in addition to being entitled to exercise all rights granted by law, including recovery of damages, shall be entitled to specific performance of its rights under this Agreement. The parties agree that the provisions of this Agreement shall be specifically enforceable, it being agreed by the parties that the remedy at law, including monetary damages, for breach of any such provision will be inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is hereby waived.

30. Discretionary Nature of Plan. The Plan is discretionary and may be amended, cancelled, or terminated by the Company at any time in its discretion.

31. ERISA. This Award is not intended to be an "employee pension benefit plan" within the meaning of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") and therefore it not subject to the requirements of such statute on the regulations promulgated thereunder.

32. Section 409A. It is intended that the Restricted Stock Units and any Shares delivered in payment thereof shall either be exempt from Section 409A or shall comply with Section 409A so as not to subject Participant to payment of any other additional tax, penalty or interest imposed under Section 409A. The provisions of this Agreement shall be construed and interpreted to avoid the imputation of any such additional tax, penalty or interest under Section 409A yet preserve (to the nearest extent reasonably possible) the intended benefit payable to the Participant. Notwithstanding the foregoing, the Company makes no representations regarding the tax treatment of any payments hereunder, and the Participant shall be responsible for any and all applicable taxes related to the Restricted Stock Units and any Shares delivered in payment thereof.

33. Cancellation of Units. The Company may, with the Participant's written consent, cancel any Restricted Stock Units awarded to the Participant under this Award. In the event of such cancellation, all of the Participant's rights as a former holder of such Restricted Stock Units with respect to such cancelled Restricted Stock Units shall terminate.

34. No Liability of the Company. The Company shall not be liable for the Participant or any other person with respect to any tax consequence expected but not realized by the Participant or other person due to the receipt, vesting or settlement of the Restricted Stock Units.