

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): May 9, 2005

Axcelis Technologies, Inc.

(Exact name of registrant as specified in charter)

Delaware
(State or other jurisdiction of
incorporation)

000-30941
(Commission File Number)

34-1818596
(IRS Employer Identification No.)

108 Cherry Hill Drive, Beverly, Massachusetts
(Address of principal executive offices)

01915
(Zip Code)

Registrant's telephone number, including area code: **(978) 787-4000**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

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

Item 1.01. Entry into a Material Definitive Agreement

- (a) **Modification of Executive Officer Base Compensation and Incentive Targets.** On May 12, 2005, the Compensation Committee of the Company's Board of Directors modified the base compensation payable to certain executive officers and the percentage of base salary design ated for certain executive officers as target cash bonus amount under the Company's annual bonus plan, the Axcelis Team Incentive Plan. In making these changes to executive compensation, the Committee applied its compensation philosophy to provide base salaries and target bonus compensation within the 50th percentile of such categories of compensation paid by similar companies for comparable positions, based on market benchmarking data compiled by external consulting firms.

After giving effect to the May 12, 2005 Compensation Committee actions, the following table sets forth each current officer's current base compensation and annual incentive target under the Axcelis Team Incentive Plan as a percentage of salary. These changes will be effective June 1, 2005.

Executive Officer	Title	Base Salary	ATI Target as a% of Base Salary
Mary G. Puma	President, Chief Executive Officer	\$ 500,000	100%
Lynnette C. Fallon	Executive VP HR/Legal and General Counsel	\$ 305,000	60%
Stephen G. Bassett	Executive Vice President and Chief Financial Officer	\$ 276,000	60%
David Duff	Senior VP and GM, IIRTP	\$ 240,000	45%
Matthew Flynn	Senior VP, Global Customer Operations	\$ 275,000	50%
Kevin Brewer	Senior VP, Manufacturing Operations	\$ 250,000	50%
Donald Palette	Senior VP, Finance	\$ 215,000	40%
Craig Halterman	Senior VP, Chief Information Officer	\$ 224,500	40%
Mark Namaroff	Senior VP, Marketing	\$ 205,000	40%

The Axcelis Team Incentive Plan for Executive Officers adopted by the Compensation Committee of the Board of Directors on January 26, 2005 is filed as Exhibit 10.12 to the Company's Form 10-K for the year ended December 31, 2004 (incorporated by reference to Exhibit 10.1 to the Company's Report on

(b) Amendment of 2000 Stock Plan. The Company's 2000 Stock Plan is filed as Exhibit 10.1 to the Company's Form 10-K for the year ended December 31, 2004 (incorporated by reference to Exhibit 10.1 to the Company's Report on Form 10-K for the year ended December 31, 2003 filed with the Commission on March 8, 2004). On May 12, 2005, the Board of Directors of the Company approved an amendment to the 2000 Stock Plan to eliminate the "evergreen" provision of the 2000 Stock Plan (which increases the number of shares available for issuance under the plan by up to 5 million each July 14th during the term of the plan), effective immediately. As a result of this action, the number of shares available for issuance under the 2000 Stock Plan will not be subject to further increase and the maximum shares issuable under the 2000 Stock Plan (including shares previously issued and subject to outstanding options) will be 33,173,367 for the remaining term of the plan. Of this number, 17,502,517 shares remained available for issuance under the 2000 Stock Plan as of March 31, 2005.

(c) Amendment of the Employee Stock Purchase Plan. The Company also maintains an Employee Stock Purchase Plan, an Internal Revenue Code Section 423 plan that allows employees to purchase Axcelis shares through salary deductions. The Employee Stock Purchase Plan, as currently in effect, is filed as Exhibit 10.2 to the Company's Form 10-K for the year ended December 31, 2004 (incorporated by reference to Exhibit 10.2 to the Company's Report on Form 10-Q for the quarter ended September 30, 2000 filed with the Commission on November 14, 2000). The Company has also filed an amended version of the Employee Stock Purchase Plan, as amended effective July 1, 2005, as Exhibit 10.13 to the Company's Form 10-K for the year ended December 31, 2004. In light of the delay in mandatory equity compensation expensing for the Company until January 1, 2006, pursuant to SEC rulemaking and FASB 123-R, on May 12, 2005 the Board of Directors of the Company approved a change to the effective date of the amended Employee Stock Purchase Plan to January 1, 2006. The Employee Stock Purchase Plan, as amended effective January 1, 2006, is filed as Exhibit 10.1 to this Form 8-K.

(d) Change of Control Agreements. On May 12, 2005, the Board of Directors of the Company amended the form of Change of

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Control Agreement to be entered into with each of the executive officers of the Company to provide that severance compensation will be paid in a lump sum within 30 days of a covered termination following a change in control, as defined in the agreement. This modification was made to avoid subjecting the payments under the Change of Control Agreements to the deferred compensation provisions of the American Jobs Creation Act of 2004 (the "Jobs Act"). These Change of Control Agreements provide that executive officers are entitled to severance compensation in the event there is both (1) a change in control and (2) a termination of employment within three years of that change in control for reasons other than voluntary resignation, cause, death or disability.

The Company will seek to replace the existing Change of Control Agreements entered into prior to May 12, 2005 with the new form of agreement by December 31, 2005, to ensure compliance with the Jobs Act. To the extent executive officers decline to sign the new form, their current agreements will expire on the next anniversary date of their execution date. New executive officers, including two elected by the Board of Directors on May 12, 2005, will be asked to sign the new form.

Item 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers

On May 9, 2005, the Company received notice that the Company's Executive Vice President, and Chief Operating Officer, Michael Luttati, will resign from his position effective May 27, 2005.

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Item 9.01 Financial Statements and Exhibits

(c) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.1	Axcelis Technologies, Inc. Employee Stock Purchase Plan, as amended through May 12, 2005, effective January 1, 2006. Filed herewith.

SIGNATURE

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

Date: March 13, 2005

Axcelis Technologies, Inc.

By: /S/ STEPHEN G. BASSETT
Stephen G. Bassett
Chief Financial Officer

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<u>Exhibit No.</u>	<u>Exhibit Index</u>
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AXCELIS TECHNOLOGIES, INC.

EMPLOYEE STOCK PURCHASE PLAN

Adopted by the Board of Directors and the sole stockholder on June 9, 2000, and effective on July 10, 2000
As amended by the Board of Directors on January 27, 2005 and May 12, 2005 (stockholder approval not required) to be effective January 1, 2006

1. PURPOSE.

The purpose of this Plan is to provide an opportunity for Employees of Axcelis Technologies, Inc. (the "Corporation") and its Designated Subsidiaries, to purchase Common Stock of the Corporation and thereby to have an additional incentive to contribute to the prosperity of the Corporation. It is the intention of the Corporation that the Plan qualifies as an "Employee Stock Purchase Plan" under Section 423 of the Internal Revenue Code of 1986, as amended.

2. DEFINITIONS.

- (a) **"Board"** shall mean the Board of Directors of the Corporation.
- (b) **"Code"** shall mean the Internal Revenue Code of 1986, as amended. Any reference to a section of the Code herein shall be a reference to any successor or amended section of the Code.
- (c) **"Committee"** shall mean the committee appointed by the Board in accordance with Section 14 of the Plan.
- (d) **"Common Stock"** shall mean the Common Stock of the Corporation, or any stock into which such Common Stock may be converted.
- (e) **"Compensation"** shall mean base pay, including pay under any system which measures earnings by quantity and quality of production, variable pay, including without limitation, bonuses and incentive payments (but excluding sign-on bonuses and bonuses paid under the Axcelis Team Incentive Plan, and any successors to such plans and any other similar management bonuses or incentive payments), shift premium and overtime pay, but excluding severance pay in a single lump sum and not as salary continuation, pay in lieu of vacation, cost-of-living allowance, retainers, fees, and any other special remuneration, with any modifications determined by the Committee. The Committee shall have the authority to determine and approve all forms of pay to be

included in the definition of Compensation and may change the definition on a prospective basis.

- (f) **"Corporation"** shall mean Axcelis Technologies, Inc., a Delaware corporation.
- (g) **"Designated Subsidiary"** shall mean a Subsidiary that has been designated by the Committee as eligible to participate in the Plan with respect to its Employees.
- (h) **"Employee"** shall mean an individual classified as an employee (within the meaning of Code Section 3401(c) and the regulations thereunder) by the Corporation or a Designated Subsidiary on the Corporation's or such Designated Subsidiary's payroll records during the relevant participation period. Employees shall not include individuals classified as independent contractors.
- (i) **"Entry Date"** shall mean the first Trading Day of an Offering Period.
- (j) **"Fair Market Value"** shall be the closing sales price for the Common Stock (or the closing bid, if no sales were reported) as quoted on the NASDAQ National Market, or other principal securities market on which the Common Stock is traded, on the date of determination if that date is a Trading Day, or if the date of determination is not a Trading Day, the last market Trading Day prior to the date of determination, as reported in *The Wall Street Journal* or such other source as the Committee deems reliable.
- (k) **"Offering Period"** shall mean the period of six (6) months commencing on the first Trading Day on or about July 1 of every year and terminating on the last Trading Day in the period ending six (6) months later. Subsequent Offering Periods, if any, shall run consecutively after the termination of the preceding Offering Period. The duration and timing of Offering Periods may be changed or modified by the Committee.
- (l) **"Participant"** shall mean a participant in the Plan as described in Section 5 of the Plan.
- (m) **"Plan"** shall mean the Axcelis Technologies, Inc. Employee Stock Purchase Plan.
- (n) **"Purchase Date"** shall mean the last Trading Day of each Offering Period.
- (o) **"Purchase Price"** shall mean 85% of the Fair Market Value of a share of Common Stock on the Entry Date or on the Purchase Date, whichever is lower; provided

(q) “**Shareholder**” shall mean a record holder of shares entitled to vote shares of Common Stock under the Corporation’s by-laws.

(r) “**Subsidiary**” shall mean any corporation (other than the Corporation) in an unbroken chain of corporations beginning with the Corporation, as described in Code Section 424(f).

(s) “**Trading Day**” shall mean a day on which U.S. national stock exchanges and the NASDAQ System are open for trading.

3. ELIGIBILITY.

3.1 Any Employee regularly employed on a full-time or part-time basis by the Corporation or by any Designated Subsidiary on an Entry Date shall be eligible to participate in the Plan with respect to the Offering Period commencing on such Entry Date, provided that the Committee may establish administrative rules requiring that employment commence some minimum period (e.g., one pay period) prior to an Entry Date to be eligible to participate with respect to the Offering Period beginning on that Entry Date.

3.2 The Committee may also determine that a designated group of highly compensated Employees are ineligible to participate in the Plan so long as the excluded category fits within the definition of “highly compensated employee” in Code Section 414(q). No Employee may participate in the Plan if immediately after an option is granted the Employee owns or is considered to own (within the meaning of Code Section 424(d)), shares of stock, including stock which the Employee may purchase by conversion of convertible securities or under outstanding options granted by the Corporation, possessing five percent (5%) or more of the total combined voting power or value of all classes of stock of the Corporation or of any of its Subsidiaries.

3.3 All Employees who participate in the Plan shall have the same rights and privileges under the Plan except for differences which may be mandated by local law and which are consistent with Code Section 423(b)(5); provided, however, that any affiliate of the Corporation whose Employees are not granted options under this Plan may adopt a separate “sub-plan” in accordance with the provisions of Section 15 which is not designed to qualify under Code section 423 and the Employees participating thereunder need not have the same rights and privileges as Employees participating in the Code section 423 Plan. The Board may impose restrictions on eligibility and participation of Employees who are officers and directors to facilitate compliance with federal or state securities laws or foreign laws.

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4. OFFERING PERIODS.

The Plan shall be implemented by consecutive Offering Periods with a new Offering Period commencing on the first Trading Day on or after the date six (6) months from the first date of the immediately preceding Offering Period, or on such other date as the Committee shall determine, and continuing thereafter for six (6) months or until terminated pursuant to Section 13 hereof. Unless otherwise determined by the Committee, the Plan will operate with successive six (6) month Offering Periods commencing at July 1 and January 1. The Committee shall have the power to change the duration of future Offering Periods, without Shareholder approval, and without regard to the expectations of any Participants.

4.1 The Committee shall have the authority to change the duration of Offering Periods (including the commencement dates thereof) with respect to future offerings without Shareholder approval if such change is announced at least five (5) days prior to the scheduled beginning of the first Offering Period to be affected thereafter.

5. PARTICIPATION.

5.1 An Employee who is eligible to participate in the Plan in accordance with Section 3 may become a Participant by completing and submitting, on a date prescribed by the Committee prior to an applicable Entry Date (unless a later date is set by the Committee), a completed payroll deduction authorization and Plan enrollment form provided by the Corporation or by following an electronic or other enrollment process as prescribed by the Committee. An eligible Employee may authorize payroll deductions at the rate of any whole percentage of the Employee’s Compensation, not to exceed ten percent (10%) of the Employee’s Compensation. As determined by the Committee, payroll deductions may begin at a date after the effective date of the Plan. All payroll deductions may be held by the Corporation and commingled with its other corporate funds where administratively appropriate. No interest shall be paid or credited to the Participant with respect to such payroll deductions. The Corporation shall maintain a separate bookkeeping account for each Participant under the Plan and the amount of each Participant’s payroll deductions shall be credited to such account. A Participant may not make any additional payments into such account.

5.2 Under procedures established by the Committee, a Participant may withdraw from the Plan during a Offering Period, by completing and filing a new payroll deduction authorization and Plan enrollment form with the Corporation or by following electronic or other procedures prescribed by the Committee, prior to a date set by the Committee that precedes the Purchase Date. If a Participant withdraws from the Plan during an Offering Period, his or her accumulated payroll deductions will be

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refunded to the Participant without interest. The Committee may establish rules limiting the frequency with which Participants may withdraw and re-enroll in the Plan and may impose a waiting period on Participants wishing to re-enroll following withdrawal.

5.3 A Participant may change his or her rate of contribution through payroll deductions during the periods specified by the Committee by filing a new payroll deduction authorization and Plan enrollment form or by following electronic or other procedures prescribed by the Committee. If a Participant has not followed such procedures to change the rate of contribution, the rate of contribution shall continue at the originally elected rate throughout the Offering Period and future Offering Periods. In accordance with Section 423(b)(8) of the Code, the Committee may reduce a Participant’s payroll deductions to zero percent (0%) at any time during an Offering Period.

6. TERMINATION OF EMPLOYMENT.

In the event any Participant terminates employment with the Corporation or any of its Designated Subsidiaries for any reason (including death) prior to the expiration of a Offering Period, the Participant's participation in the Plan shall terminate and all amounts credited to the Participant's account shall be paid to the Participant or, in the case of death, to the Participant's heirs or estate, without interest. Whether a termination of employment has occurred shall be determined by the Committee. The Committee may also establish rules regarding when leaves of absence or changes of employment status will be considered to be a termination of employment, including rules regarding transfer of employment among Designated Subsidiaries, Subsidiaries and the Corporation, and the Committee may establish termination of employment procedures for this Plan which are independent of similar rules established under other benefit plans of the Corporation and its Subsidiaries.

7. OFFERING.

7.1 Subject to adjustment as set forth in Section 10, the maximum number of shares of Common Stock which may be issued pursuant to the Plan shall be 2.5 million shares, plus an annual increase to be added on the last day of each fiscal year of the Corporation beginning in 2001, equal to one percent (1%) of the outstanding shares of the Corporation on such date or a lesser amount determined by the Committee, provided that the maximum number of shares of Common Stock that may be issued pursuant to the Plan shall be 7.5 million shares. If, on a given Purchase Date, the number of shares with respect to which options are to be exercised exceeds the number of shares then available under the Plan, the Corporation shall make a pro rata allocation of the shares

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remaining available for purchase in as uniform a manner as shall be practicable and as it shall determine to be equitable.

7.3 With respect to any Offering Period, each eligible Employee who has elected to participate as provided in Section 5.1 shall be granted, as of such Employee's Entry Date, an option for each Offering Period to purchase that number of whole shares of Common Stock (not to exceed 1,500 shares) which may be purchased with the payroll deductions accumulated on behalf of such Employee during each such Offering Period at the purchase price specified in Section 7.4 below, subject to the additional limitation that no Employee participating in the Section 423 Plan shall be granted an option to purchase Common Stock under the Plan at a rate which exceeds U.S. twenty-five thousand dollars (U.S. \$25,000) of the Fair Market Value of such Common Stock (determined at the time such option is granted) for each calendar year in which such option is outstanding at any time. The foregoing sentence shall be interpreted so as to comply with Code Section 423(b)(8).

7.4 The purchase price under each option shall a percentage (not less than eighty-five percent (85%)) established by the Committee ("Designated Percentage") of the Fair Market Value of the Common Stock on the Purchase Date on which the Common Stock is purchased. The Committee may change the Designated Percentage with respect to any future Offering Period, but not below eighty-five percent (85%), and the Committee may determine with respect to any prospective Offering Period that the option price shall be the Designated Percentage of the Fair Market Value of the Common Stock on the Purchase Date.

8. PURCHASE OF STOCK.

Upon the expiration of each Offering Period, a Participant's option shall be exercised automatically for the purchase of that number of whole and fractional shares of Common Stock which the accumulated payroll deductions credited to the Participant's account at that time shall purchase at the applicable price specified in Section 7.4. Notwithstanding the foregoing, the Corporation or its designee may make such provisions and take such action as it deems necessary or appropriate for the withholding of taxes and/or social insurance which the Corporation or its Designated Subsidiary is required by law or regulation of any governmental authority to withhold. Each Participant, however, shall be responsible for payment of all individual tax liabilities arising under the Plan.

9. PAYMENT AND DELIVERY.

As soon as practicable after the exercise of an option, the Corporation shall deliver to the Participant a record of the Common Stock purchased and the balance of any amount of payroll deductions credited to the Participant's account not used for the

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purchase, except as specified below. The Committee may permit or require that shares be deposited directly with a broker designated by the Committee or to a designated agent of the Corporation, and the Committee may utilize electronic or automated methods of share transfer. The Committee may require that shares be retained with such broker or agent for a designated period of time and/or may establish other procedures to permit tracking of disqualifying dispositions of such shares. The Corporation shall retain the amount of payroll deductions used to purchase Common Stock as full payment for the Common Stock and the Common Stock shall then be fully paid and non-assessable. No Participant shall have any voting, dividend, or other Shareholder rights with respect to shares subject to any option granted under the Plan until the shares subject to the option have been purchased and delivered to the Participant as provided in this Section 9.

10. RECAPITALIZATION.

If after the grant of an option, but prior to the purchase of Common Stock under the option, there is any increase or decrease in the number of outstanding shares of Common Stock because of a stock split, stock dividend, combination or recapitalization of shares subject to options, the number of shares to be purchased pursuant to an option, the price per share of Common Stock covered by an option and the maximum number of shares specified in Section 7.1 may be appropriately adjusted by the Board, and the Board shall take any further actions which, in the exercise of its discretion, may be necessary or appropriate under the circumstances.

The Board's determinations under this Section 10 shall be conclusive and binding on all parties.

11. MERGER, LIQUIDATION, OTHER CORPORATION TRANSACTIONS.

In the event of shareholder approval of a liquidation or dissolution of the Corporation, the Offering Period will terminate immediately, unless otherwise provided by the Board in its sole discretion, and all outstanding options shall automatically terminate and the amounts of all payroll deductions will be refunded without interest to the Participants.

In the event of a sale of all or substantially all of the assets of the Corporation, the acquisition by a person (including any entity or group) of beneficial ownership of a majority of the Corporation's outstanding capital stock (based on voting power, but excluding any acquisition by the Corporation, its affiliate, employee benefit plans of the Corporation or its affiliate, and any underwriter holding securities temporarily pursuant to an offering), or the merger or consolidation of the Corporation with or into another corporation, then in the sole discretion of the Board, (1) each option shall be assumed or an equivalent option shall be substituted by the successor corporation or parent or subsidiary of such successor corporation, (2) a date established by the Board on or

before the date of consummation of such merger, consolidation or sale shall be treated as a Purchase Date, and all outstanding options shall be exercised on such date, or (3) all outstanding options shall terminate and the accumulated payroll deductions will be refunded without interest to the Participants.

12. TRANSFERABILITY.

Options granted to Participants may not be voluntarily or involuntarily assigned, transferred, pledged, or otherwise disposed of in any way, and any attempted assignment, transfer, pledge, or other disposition shall be null and void and without effect. If a Participant in any manner attempts to transfer, assign or otherwise encumber his or her rights or interests under the Plan, other than as permitted by the Code, such act shall be treated as an election by the Participant to discontinue participation in the Plan pursuant to Section 5.2.

13. AMENDMENT OR TERMINATION OF THE PLAN.

13.1 The Plan shall continue until June 30, 2020 unless otherwise terminated in accordance with Section 13.2.

13.2 The Board may, in its sole discretion, insofar as permitted by law, terminate or suspend the Plan, or revise or amend it in any respect whatsoever, except that, without approval of the Shareholders, no such revision or amendment shall materially increase the number of shares subject to the Plan, other than an adjustment under Section 10 of the Plan.

14. ADMINISTRATION.

The Board shall appoint a Committee consisting of at least two members who will serve for such period of time as the Board may specify and whom the Board may remove at any time. The Committee will have the authority and responsibility for the day-to-day administration of the Plan, the authority and responsibility specifically provided in this Plan and any additional duty, responsibility and authority delegated to the Committee by the Board, which may include any of the functions assigned to the Board in this Plan. The Committee may delegate to one or more individuals the day-to-day administration of the Plan. The Committee shall have full power and authority to promulgate any rules and regulations which it deems necessary for the proper administration of the Plan, to interpret the provisions and supervise the administration of the Plan, to make factual determinations relevant to Plan entitlements and to take all action in connection with administration of the Plan as it deems necessary or advisable, consistent with the delegation from the Board. Decisions of the Board and the Committee shall be final and binding upon all participants. Any decision reduced to writing and signed by a majority of the members of the Committee shall be fully effective as if it had been made at a meeting of the Committee duly held. The

Corporation shall pay all expenses incurred in the administration of the Plan. No Board or Committee member shall be liable for any action or determination made in good faith with respect to the Plan or any option granted hereunder.

15. COMMITTEE RULES FOR FOREIGN JURISDICTIONS.

The Committee may adopt rules or procedures relating to the operation and administration of the Plan to accommodate the specific requirements of local laws and procedures. Without limiting the generality of the foregoing, the Committee is specifically authorized to adopt rules and procedures regarding handling of payroll deductions, payment of interest, conversion of local currency, payroll tax, withholding procedures and handling of stock certificates which vary with local requirements.

The Committee may also adopt "sub-plans" separate from this Plan for purposes of Code Section 423 applicable to particular affiliates of the Corporation, which sub-plans may be designed to be outside the scope of Code section 423. Notwithstanding the foregoing, the shares of Common Stock issued under any sub-plan shall be aggregated with the shares of Common Stock issued under this Plan and such aggregate number of shares shall be subject to the maximum number set forth under Section 7.1 hereof. The rules of such sub-plans may take precedence over other provisions of this Plan, with the exception of Section 7.1, but unless otherwise superseded by the terms of such sub-plan, the provisions of this Plan shall govern the operation of such sub-plan.

16. SECURITIES LAWS REQUIREMENTS.

The Corporation shall not be under any obligation to issue Common Stock upon the exercise of any option unless and until the Corporation has determined that: (i) it and the Participant have taken all actions required to register the Common Stock under the Securities Act of 1933, or to perfect an exemption from the registration requirements thereof; (ii) any applicable listing requirement of any stock exchange on which the Common Stock is listed has been satisfied; and (iii) all other applicable provisions of state, federal and applicable foreign law have been satisfied.

17. GOVERNMENTAL REGULATIONS.

This Plan and the Corporation's obligation to sell and deliver shares of its stock under the Plan shall be subject to the approval of any governmental authority required in connection with the Plan or the authorization, issuance, sale, or delivery of stock hereunder.

18. NO ENLARGEMENT OF EMPLOYEE RIGHTS.

Nothing contained in this Plan shall be deemed to give any Employee the right to be retained in the employ of the Corporation or any Designated Subsidiary or to

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interfere with the right of the Corporation or Designated Subsidiary to discharge any Employee at any time.

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19. GOVERNING LAW.

This Plan shall be governed by Delaware law, without regard to that State's choice of law rules.

20. EFFECTIVE DATE.

This Plan was adopted by the Corporation's Board of Directors on June 9, 2000, was approved by the sole shareholder of the Corporation on June 9, 2000, and became effective on July 10, 2000. The amendments to the Plan adopted by the Board of Directors on January 27, 2005 shall become effective for Offering Periods commencing on or after January 1, 2006.

21. REPORTS.

Individual accounts shall be maintained for each Participant in the Plan. Statements of account shall be given to Participants at least annually, which statements shall set forth the amounts of payroll deductions, the Purchase Price, the number of shares purchased and the remaining cash balance, if any.

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