

**InBankshares, Corp**  
**6380 S. Fiddlers Green Cir, Suite 108A**  
**Greenwood Village, Colorado 80111**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**  
**To be held on May 21, 2021**

NOTICE IS HEREBY GIVEN that the 2021 annual meeting of stockholders of InBankshares, Corp (the “Company”) will be held at 8:00 a.m., local time, on Friday, May 21, 2021, virtually. To attend the meeting, you must register. Registration for the virtual meeting will close at 11:59 p.m. MT on May 20, 2021. You must use an email address we have on file and include the last four digits of the TIN number for the owner of the stock. The following link will lead you to the registration page: [https://inbank.zoom.us/webinar/register/WN\\_5o-ji7ZVTlGPzTZwM0t6vQ](https://inbank.zoom.us/webinar/register/WN_5o-ji7ZVTlGPzTZwM0t6vQ). Contact [amsbry.ball@inbank](mailto:amsbry.ball@inbank) for questions or concerns. The meeting will consider and act upon the following matters:

1. The election of the 10 director nominees named in the enclosed proxy statement to our Board of Directors, for terms expiring at the 2022 annual meeting of stockholders or until their successors are duly elected and qualified;
2. The approval of the Company’s employee stock purchase plan; and
3. The transaction of such other business as may properly come before the annual meeting or at any adjournment or postponement thereof.

Please log in or dial in at least 15 minutes before the commencement of the meeting to ensure timely participation. Please note the voting dates listed on the proxy card; however, we do encourage you to vote at your earliest convenience.

Only stockholders of record as of the close of business on April 15, 2021 are entitled to notice of, and to vote at, the annual meeting or any adjournments thereof. A list of stockholders will be available for inspection for a period of 10 days prior to and including the day of the annual meeting by appointment at the Company’s headquarters, located at 6380 S. Fiddlers Green Cir, Suite 108A, Greenwood Village, Colorado 80111.

By Order of the Board of Directors



Edward G. Francis  
President & Chief Executive Officer

Greenwood Village, Colorado  
April 23, 2021

This notice of annual meeting and proxy statement and form of proxy are first being distributed to stockholders on or about April 23, 2021.

**InBankshares, Corp  
6380 S. Fiddlers Green Cir, Suite 108A  
Greenwood Village, Colorado 80111**

## **PROXY STATEMENT**

### **2021 ANNUAL MEETING OF STOCKHOLDERS To be held on May 21, 2021**

#### **INTRODUCTION**

The enclosed proxy is solicited by the Board of Directors of InBankshares, Corp (the “Company”) for use at the 2021 Annual Meeting of Stockholders (the “Annual Meeting”) to be held virtually on May 21, 2021 at 8:00 a.m., local time, and at any postponement or adjournment thereof. To attend the meeting, you must register. Registration for the virtual meeting will close at 11:59pm MT on May 20, 2021. You must use an email address we have on file and include the last four digits of the TIN number for the owner of the stock. The following link will lead you to the registration page: [https://inbank.zoom.us/webinar/register/WN\\_5o-ji7ZVTIGPzTZwM0t6vQ](https://inbank.zoom.us/webinar/register/WN_5o-ji7ZVTIGPzTZwM0t6vQ). Contact [amsbry.ball@inbank](mailto:amsbry.ball@inbank) for questions or concerns or if you are unable to register for the Annual Meeting. Your proxy may be revoked in writing at any time before it is exercised by mail addressed to Edward G. Francis at the address set forth above. If you do not revoke your proxy, the shares represented by the proxy will be voted in accordance with the instructions set forth in the proxy.

Please log in or dial in at least 15 minutes before the commencement of the meeting to ensure timely participation. Please note the voting dates listed on the proxy card; however, we do encourage you to vote at your earliest convenience.

The cost of preparing, assembling, and mailing this Proxy Statement, the Notice of Annual Meeting of Stockholders and the accompanying proxy is being borne by the Company. Only holders of record of our voting common stock, par value \$0.01 per share (“Common Stock”), as of April 15, 2021 (the “Record Date”) may vote at the Annual Meeting. As of the Record Date, there were 5,526,282 shares of Common Stock outstanding and 1,788,834 shares of the Company’s non-voting common stock, par value \$0.01 per share, outstanding.

There must be a quorum for the Annual Meeting to be held. A majority of the votes entitled to be cast by holders of Common Stock must be present at the Annual Meeting, either in person or by proxy, to constitute a quorum. Abstentions (including votes withheld) will be treated as “present” for quorum purposes.

The Annual Meeting will be attended by representatives of the Company including, we expect, Ed Francis (age 55), our Chairman, President and Chief Executive Officer, Dan Patten (age 52), our Chief Financial Officer, and Dave Brown (age 56), our Chief Risk Officer.

This Proxy Statement, the enclosed proxy and the attached Notice were first sent to stockholders on or about April 23, 2021.

**ELECTION OF DIRECTORS  
(PROPOSAL 1)**

Proposal 1 for the Annual Meeting is the election by holders of Common Stock of 10 directors to hold office until the 2022 Annual Meeting of Stockholders or until their respective successors have been duly elected and qualified. The election of directors requires a plurality of the votes cast. In the election of directors, votes may be cast in favor of or withheld with respect to any or all nominees. Votes that are withheld will be excluded entirely from the vote and will have no effect on the outcome of the vote.

**Nominees**

The persons named in the following table have been nominated by the Board of Directors of the Company (the “Board”) for election to serve as directors of the Company until the 2022 Annual Meeting of Stockholders or until their successors are duly elected and qualified. With respect to such election, absent any specific instruction in the proxies solicited by the Board, the proxies will be voted in the sole discretion of the proxy holders to effect the election of all 10 of the Board’s nominees, or as many thereof as possible if any persons are nominated other than by the Board. In the event that any of the Board’s nominees are unable to serve as directors, it is intended that each proxy will be voted for the election of such substitute nominees, if any, as shall be designated by the Board. Alternatively, the Board may reduce the size of the Board. To the best of its knowledge, the Company has no reason to believe that any of the nominees will be unable to serve as directors.

<u>Name</u>	<u>Biographical Information</u>	<u>Age</u>
Edward G. Francis .....	Ed has over 30 years of banking and financial institution experience and is Chairman of the Board, President and Chief Executive Officer for InBankshares and InBank. Previously, he held the position of Executive Vice President and Chief Banking Officer at Hancock Whitney and led both retail and commercial banking divisions. Ed also served on Hancock Whitney’s Executive Management Committee for more than 10 years as assets grew from \$5 billion to over \$25 billion. He holds a B.S. in Managerial Finance from the University of Mississippi and matriculated from the Graduate School of Banking at LSU. Ed also serves on the board for Firefly Autism in Denver.	55
Kevin Ahern.....	Kevin is Managing Partner of Brush Creek Partners, a Denver-based private equity firm, and the former Chairman, Founder and CEO of CIC Bancshares, a Colorado-based bank holding company, and Chairman of Centennial Bank. He served as a senior executive with Heartland Financial USA, Inc. a \$12 billion bank holding company, after Heartland’s acquisition of Centennial Bank in 2016. Kevin has 35 years	58

<u>Name</u>	<u>Biographical Information</u>	<u>Age</u>
Stan Viner .....	of expertise as an operator and investor in private equity, banking, financial services and investment management. Stan is the President of SJViner & Associates. He has more than 35 years in the financial services industry. Prior to founding his company in 2017, he was the General Manager/National Sales of Banking at Jack Henry & Associates. Stan held this role for over 15 years - after nearly 28 years, he retired from Jack Henry. Stan has a BBA from Ole Miss and a Managerial Leadership Certificate from the University of Texas/McCombs School of Business. He is an instructor at the Graduate School of Banking at Colorado (Boulder). Stan also serves as a Consultant/Strategist for the William Mills Agency in Atlanta - one of the largest PR firms in the Financial Industry. Additionally, he works with Fintech companies to fine-tune their branding, sales design and overall go-to-market strategy.	64
Eric Donnelly.....	Eric is CEO of Capital Plus Financial which through its holding company, Crossroads Systems, is the first publicly traded Community Development Financial Institution (CDFI), providing affordable housing and mortgage financing to Hispanic communities. He has 20 years of expertise in banking and specialty finance focusing on small business, consumers, CRE, and helped start a de novo community bank in Houston. Eric has a B.A. from SMU and is a graduate of The Center for Houston's Future Leadership Program and Stanford Latino Entrepreneur Scaling Program.	46
Lisa Narrell Mead .....	Lisa is the CEO of Everett Advisory Partners, a financial services advisory firm. She has extensive private law practice and corporate management experience, as well as 15 years of banking experience as Chief Employment Counsel at Regions Bank and Founding Executive of Cadence Bank. Lisa has a B.S. from Birmingham-Southern College and a JD from Emory University.	56
Travis Conway .....	Travis is a Founding Partner of Rallyday Partners, a Colorado-based private equity middle market-focused firm. He is the former President and Managing Director of SDR Ventures, a Colorado-based boutique middle market investment bank. Travis has significant litigation and dispute advisory experience from Navigant Consulting and Ernst & Young.	43
Rick Trice .....	Rick is a former Executive Officer and Senior Credit Officer for InBank. He has over 38 years of experience in commercial banking and investments, including Sunwest Bank, Bank of America and SunAmerica Securities. He serves on various	68

<u>Name</u>	<u>Biographical Information</u>	<u>Age</u>
	community philanthropic boards, including The Whited Foundation and Santa Fe Trail School for the Performing Arts. Richard is a graduate of the New Mexico School of Banking, Western States Agricultural School of Banking and Stonier Graduate School of Banking.	
Don Bechter .....	Don is Partner and Managing Director at RMB Capital, a Denver-based wealth and investment management firm with over \$9B in assets. He is the former Managing Director and head of RBC Capital Market’s telecom group where he gained extensive M&A experience. He has a bachelor’s degree from the University of Colorado, an MBA from Kellogg School of Management at Northwestern University, and is a Chartered Financial Analyst ® (CFA).	58
Scott Reed .....	Scott is a Partner, Director and Co-Founder of BankCap Partners, a private equity firm focused on financial services. He has 20 years in financial services and strategic consulting, including Bain and Bear Stearns. Scott has a B.S. and B.A. from the University of Virginia, and an MBA from the Amos Tuck School of Business at Dartmouth College.	50
Wil Armstrong .....	Wil is Chairman and CEO of Three Tree Capital, a privately held investment company focused on venture capital, early stage growth companies, and private equity. He is the former Chairman of Cherry Creek Mortgage Company, a nationally ranked residential mortgage bank and a former board member of Colorado Community Bank and Heritage Bank. Wil has a BBA from James Madison University.	54

**The Board of Directors’ Recommendation**

The Board recommends that holders of Common Stock vote **FOR** each of the nominees listed above. Each holder of Common Stock is entitled to one vote for each share held. Unless a contrary choice is specified, proxies solicited by the Board will be voted **FOR** each nominee above.

**APPROVAL OF EMPLOYEE STOCK PURCHASE PLAN  
(PROPOSAL 2)**

Proposal 2 for the Annual Meeting is the approval of the InBankshares, Corp Employee Stock Purchase Plan (the “**Plan**”). The approval of the Plan requires the affirmative vote of a majority of the votes cast. Votes that are withheld will have the effect of votes against this proposal.

The Board is asking our stockholders to approve the Plan, which is a new employee stock purchase plan. The Board has determined that it is in the best interests of the Company and its stockholders to have an employee stock purchase plan and has adopted the Plan, subject to

approval from our stockholders at the Annual Meeting. The Plan would expire ten years from the date of its adoption by the Board, unless terminated earlier in accordance with the Plan.

If approved, the Plan will be a part of our overall equity compensation strategy, especially with respect to our non-executive employees. The Plan allows our employees to buy shares of our common stock (the “Shares”) at a discount through payroll deductions. In the highly competitive banking industry in which we compete for talent, we believe that offering an employee stock purchase program is important to our ability to remain competitive. If the proposed Plan is not approved by our stockholders, we may be restricted in our ability to offer competitive compensation to existing employees and qualified candidates, and our business and ability to increase long-term stockholder value could be adversely affected.

### **Description of the Plan**

The principal features of the Plan are summarized below, but this summary is qualified in its entirety by reference to the full text of the Plan, which is attached to this Proxy Statement as Appendix A.

***Purpose.*** The purpose of the Plan is to provide our employees and employees of our subsidiaries with an opportunity to purchase our Shares through accumulated payroll deductions. The Plan is intended to qualify as an employee stock purchase plan under Section 423 of the Internal Revenue Code of 1986, as amended (“Section 423”).

***Shares Available for Issuance.*** If our stockholders approve this proposal, a total of 500,000 Shares will be reserved for issuance under the Plan.

***Plan Administration.*** The Board or a committee appointed by the Board will administer the Plan (the “Administrator”). The Administrator has full and exclusive discretionary authority to construe and interpret the Plan, prescribe, amend and rescind rules relating to the Plan’s administration and take any other actions necessary or desirable for the administration of the Plan, among other responsibilities.

***Eligibility.*** All of our employees, including our executive officers, and employees of any subsidiaries that are designated by the Administrator to participate in the Plan, are eligible to participate in the Plan if they are employed by us or a participating subsidiary for at least 20 hours per week and more than five months in any calendar year. As of March 31, 2021, there were approximately 112 employees of the Company and its subsidiaries who were eligible to participate in the Plan.

***Offering Periods.*** The Plan is intended to qualify under Section 423. Unless otherwise determined by the Administrator, each offering period under the Plan will have a duration of approximately six months, commencing on June 1 or December 1 of each year and terminating on November 30 or May 31; provided, however, we expect that the first offering period will commence on July 1, 2021 and will terminate on November 1, 2021. The Administrator, in its discretion, may modify the terms of offering periods before they begin, provided that no offering period may last more than 27 months.

Once an employee becomes a Plan participant, the employee automatically will participate in each successive offering period until the employee withdraws from the Plan or the employee's employment with the Company or one of its designated subsidiaries terminates. On the first trading day of each offering period, each participant automatically is granted a right to purchase Shares. This right to purchase shares of Common Stock will be exercised automatically on the last trading day of the applicable offering period. During each calendar year, a participant may purchase a maximum number of Shares equal to \$25,000 (or such lesser amount determined by the Administrator in advance of the applicable offering period), as determined by the fair market value of the Shares on the first day of the offering period. Subject to any rules prescribed by the Administrator, participants may withdraw their participation in an offering period at any time prior to 10 days before the end of the current offering period and will be paid their accrued contributions that have not yet been used to purchase Shares.

**Contributions.** The Plan permits participants to purchase Shares through payroll deductions of up to \$25,000, unless otherwise determined by the Administrator. In addition, the maximum number of Shares that any participant may purchase during any offering period may not exceed 2,500 Shares.

**Purchase Price.** Shares are purchased at the end of each six-month offering period to the extent of the payroll deductions accumulated during such period. The purchase price of the Shares will be an amount equal to the lesser of (i) 85% of the fair market value of a Share on the first day of the applicable offering period, or (ii) 85% of the fair market value of a Share on the last day of the offering period; provided however, that the Plan Administrator may adjust the purchase price for subsequent offering periods subject to compliance with Section 423 of the Code.

The fair market value of a Share on any relevant date will be the reported closing price of a Share, if the Shares are traded on a nationally or internationally recognized exchange. In the absence of an established market for the Shares, the fair market value will be determined in good faith by the Administrator.

**Non-Transferability.** Neither contributions credited to a participant's account nor any rights granted under the Plan may be assigned, transferred, pledged, or otherwise disposed of in any way, other than by will or the laws of descent and distribution. In addition, no participant may, without the Company's prior written consent, sell or otherwise transfer any Shares acquired under the Plan within one year after the date on which the participant purchases the shares.

**Certain Adjustments.** In the event of certain changes in our corporate structure affecting our Shares, including a merger, to prevent dilution or enlargement of the benefits or potential benefits available under the Plan, the Administrator will adjust the number and class of Shares that may be delivered under the Plan, the purchase price per share, the number of Shares covered by each Plan purchase right and the numerical share limits set forth in the Plan.

**Amendment; Termination.** The Board may at any time amend or terminate the Plan, including the term of any offering period then-outstanding. The Plan will continue until the earlier to occur of (i) the termination of the Plan by the Board, or (ii) March 24, 2031 (the date which is ten years from the adoption of the Plan by the Board).



### ***U.S. Federal Income Tax Consequences***

The following paragraphs are intended as a summary of the U.S. federal income tax consequences to U.S. taxpayers and the Company of the purchase of Shares under the Plan. This summary does not attempt to describe all possible federal or other tax consequences of such participation or based on particular circumstances. In addition, it does not describe any state, local or non-U.S. tax consequences.

The Plan is intended to be an employee stock purchase plan within the meaning of Section 423. Under an employee stock purchase plan that qualifies under Section 423, no taxable income will be recognized by a participant, and no deductions will be allowable to the Company, upon either the grant or the exercise of the purchase rights. Taxable income will not be recognized until there is a sale or other disposition of the Shares acquired under the Plan or in the event the participant should die while still owning the purchased Shares. No participant may purchase Shares under the Plan at a rate of more than \$25,000 of Shares (based on fair market value on the date the option is granted) in any calendar year during which the participating employee is enrolled in that offering period at any time.

If the participant sells or otherwise disposes of the purchased Shares within two years after the start date of the offering period in which the Shares were acquired or within one year after the actual purchase date of those Shares, then the participant generally will recognize ordinary income in the year of sale or disposition equal to the amount by which the fair market value of the Shares on the purchase date exceeded the purchase price paid for those Shares, and the Company will be entitled to an income tax deduction, for the taxable year in which such disposition occurs equal in amount to such excess. The amount of this ordinary income will be added to the participant's basis in the Shares, and any resulting gain or loss recognized upon the sale or disposition will be a capital gain or loss. If the Shares have been held for more than one year since the date of purchase, the gain or loss will be long-term.

If the participant sells or disposes of the purchased Shares more than two years after the start date of the offering period in which the Shares were acquired and more than one year after the actual semiannual purchase date of those Shares, then the participant generally will recognize ordinary income in the year of sale or disposition equal to the lesser of (a) the amount by which the fair market value of the Shares on the sale or disposition date exceeded the purchase price paid for those Shares, or (b) 15% of the fair market value of the Shares on the start date of that offering period. Any additional gain upon the disposition will be taxed as a long-term capital gain. Alternatively, if the fair market value of the Shares on the date of the sale or disposition is less than the purchase price, there will be no ordinary income and any loss recognized will be a long-term capital loss. The Company will not be entitled to an income tax deduction with respect to such disposition.

If the participant still owns the purchased Shares at the time of death, the lesser of (i) the amount by which the fair market value of the Shares on the date of death exceeds the purchase price or (ii) 15% of the fair market value of the Shares on the start date of the offering period in which those Shares were acquired will constitute ordinary income in the year of death.

### **The Board of Directors' Recommendation**

The Board recommends that holders of Common Stock vote **FOR** approval of the Plan. Each holder of Common Stock is entitled to one vote for each share held. Unless a contrary choice is specified, proxies solicited by the Board will be voted **FOR** the Plan.

### **OTHER MATTERS**

Management does not know of any other matters to be presented at the meeting, but should other matters properly come before the meeting, the proxy holders will vote on such matters in accordance with their best judgment.

Dated: April 23, 2021

**Appendix A**  
**InBankshares, Corp Employee Stock Purchase Plan**

1. Purpose. This InBankshares, Corp Employee Stock Purchase Plan (the “**Plan**”) is intended to provide employees of the Company and its Participating Subsidiaries with an opportunity to acquire a proprietary interest in the Company through the purchase of shares of Common Stock. The Company intends that the Plan qualify as an “employee stock purchase plan” under Section 423 of the Code and the Plan shall be interpreted in a manner that is consistent with that intent.

2. Definitions.

“**Administrator**” means the committee appointed by the Board to administer the Plan. If no such committee is so appointed, the Board shall administer the Plan.

“**Board**” means the Board of Directors of the Company, as constituted from time to time.

“**Code**” means the U.S. Internal Revenue Code of 1986, as it may be amended from time to time. Any reference to a section of the Code shall be deemed to include a reference to any regulations promulgated thereunder.

“**Common Stock**” means the common stock of the Company, par value \$0.01 per share.

“**Company**” means InBankshares, Corp, a Delaware corporation, including any successor thereto.

“**Corporate Transaction**” means a merger, consolidation, acquisition of property or stock, separation, reorganization or other corporate event described in Section 424 of the Code.

“**Designated Broker**” means the financial services firm or other agent designated by the Company to maintain ESPP Share Accounts on behalf of Participants who have purchased shares of Common Stock under the Plan.

“**Effective Date**” means the date as of which the Plan is adopted by the Board, subject to the Plan obtaining shareholder approval in accordance with Section 19.11.

“**Eligible Employee**” means an Employee who: (i) is employed by the Company or a Participating Subsidiary; and (ii) is customarily employed for at least 20 hours per week and more than five months in any calendar year. Notwithstanding the foregoing, the Administrator may exclude from participation in the Plan or any Offering Employees who are “highly compensated employees” of the Company or a Participating Subsidiary (within the meaning of Section 414(q) of the Code) or a sub-set of such highly compensated employees.

“**Employee**” means any person who renders services to the Company or a Participating Subsidiary as an employee pursuant to an employment relationship with such employer. For purposes of the Plan, the employment relationship shall be treated as continuing intact while the individual is on military leave, sick leave or other leave of absence approved by the Company or

a Participating Subsidiary that meets the requirements of Treasury Regulation Section 1.421-1(h)(2). Where the period of leave exceeds three months, or such other period of time specified in Treasury Regulation Section 1.421-1(h)(2), and the individual's right to re-employment is not guaranteed by statute or contract, the employment relationship shall be deemed to have terminated on the first day immediately following such three-month period, or such other period specified in Treasury Regulation Section 1.421-1(h)(2).

**“Enrollment Form”** means an agreement pursuant to which an Eligible Employee may elect to enroll in the Plan, to authorize a new level of payroll deductions, or to stop payroll deductions and withdraw from an Offering Period.

**“ESPP Share Account”** means an account into which Common Stock purchased with accumulated payroll deductions at the end of an Offering Period are held on behalf of a Participant.

**“Exchange Act”** means the Securities Exchange Act of 1934, as amended.

**“Fair Market Value”** means, as of any date, the value of the shares of Common Stock as determined below. If the shares are listed on any established stock exchange or a national market system, the Fair Market Value shall be the closing price of a share (or if no sales were reported, the closing price on the date immediately preceding such date) as quoted on such exchange or system on the day of determination, as reported in The Wall Street Journal. In the absence of an established market for the shares, the Fair Market Value shall be determined in good faith by the Administrator and such determination shall be conclusive and binding on all persons.

**“Offering”** or **“Offering Period”** means, subject to Section 5, a period of six months beginning each June 1 and December 1 of each year; provided, that, pursuant to Section 5, the Administrator may change the duration of future Offering Periods (subject to a maximum Offering Period of 27 months) and the start and end dates of future Offering Periods.

**“Offering Date”** means the first Trading Day of each Offering Period as designated by the Administrator.

**“Participant”** means an Eligible Employee who is actively participating in the Plan.

**“Participating Subsidiaries”** means the Subsidiaries that have been designated as eligible to participate in the Plan, and such other Subsidiaries that may be designated by the Administrator from time to time in its sole discretion.

**“Plan”** means this InBankshares, Corp Employee Stock Purchase Plan, as set forth herein, and as amended from time to time.

**“Purchase Date”** means the last Trading Day of each Offering Period.

**“Purchase Price”** means an amount equal to the lesser of (i) eighty-five percent (85%) (or such greater percentage as designated by the Administrator) of the Fair Market Value of a share of Common Stock on the Offering Date or (ii) eighty-five percent (85%) (or such greater percentage as designated by the Administrator) of the Fair Market Value of a share of Common Stock on the

Purchase Date; provided, that, the Purchase Price per share of Common Stock will in no event be less than the par value of the Common Stock.

“**Securities Act**” means the Securities Act of 1933, as amended.

“**Subsidiary**” means any corporation, domestic or foreign, of which not less than 50% of the combined voting power is held by the Company or a Subsidiary, whether or not such corporation exists now or is hereafter organized or acquired by the Company or a Subsidiary. In all cases, the determination of whether an entity is a Subsidiary shall be made in accordance with Section 424(f) of the Code.

“**Trading Day**” means any day on which the national stock exchange upon which the Common Stock is listed is open for trading or, if the Common Stock is not listed on an established stock exchange or national market system, a business day, as determined by the Administrator in good faith.

3. Administration. The Plan shall be administered by the Administrator, which shall have the authority to construe and interpret the Plan, prescribe, amend and rescind rules relating to the Plan’s administration and take any other actions necessary or desirable for the administration of the Plan. The Administrator may correct any defect or supply any omission or reconcile any inconsistency or ambiguity in the Plan. The decisions of the Administrator shall be final and binding on all persons. All expenses of administering the Plan shall be borne by the Company.

4. Eligibility. Unless otherwise determined by the Administrator in a manner that is consistent with Section 423 of the Code, any individual who is an Eligible Employee as of the first day of the enrollment period designated by the Administrator for a particular Offering Period, or who becomes an Eligible Employee during a particular Offering Period, shall be eligible to participate in such Offering Period, subject to the requirements of Section 423 of the Code.

Notwithstanding any provision of the Plan to the contrary, no Eligible Employee shall be granted an option under the Plan if: (i) immediately after the grant of the option, such Eligible Employee (or any other person whose stock would be attributed to such Eligible Employee pursuant to Section 424(d) of the Code) would own capital stock of the Company or hold outstanding options to purchase stock possessing 5% or more of the total combined voting power or value of all classes of stock of the Company or any Subsidiary; or (ii) such option would permit his or her rights to purchase stock under all employee stock purchase plans (described in Section 423 of the Code) of the Company and its Subsidiaries to accrue at a rate that exceeds \$25,000 of the Fair Market Value of such stock (determined at the time the option is granted) for each calendar year in which such option is outstanding at any time.

5. Offering Periods. The Plan shall be implemented by a series of Offering Periods, each of which shall be six months in duration, with new Offering Periods commencing on or about June 1 and December 1 of each year (or such other times as determined by the Administrator). The Administrator shall have the authority to change the duration, frequency, start and end dates of Offering Periods.

6. Participation.

6.1 Enrollment; Payroll Deductions. An Eligible Employee may elect to participate in the Plan by properly completing an Enrollment Form, which may be electronic, and submitting it to the Company, in accordance with the enrollment procedures established by the Administrator. Participation in the Plan is entirely voluntary. By submitting an Enrollment Form, the Eligible Employee authorizes payroll deductions from his or her paycheck in an amount equal to at least \$1, but not more than \$25,000, on each pay day occurring during an Offering Period (or such other maximum amount as the Administrator may establish from time to time before an Offering Period begins). Payroll deductions shall commence on the first payroll date following the Offering Date and end on the last payroll date on or before the Purchase Date. The Company shall maintain records of all payroll deductions but shall have no obligation to pay interest on payroll deductions or to hold such amounts in a trust or in any segregated account. Unless expressly permitted by the Administrator, a Participant may not make any separate contributions or payments to the Plan.

6.2 Election Changes. During an Offering Period, a Participant may decrease or increase his or her rate of payroll deductions applicable to such Offering Period only once, but changes may not be made during a blackout period (as such periods are defined in the Company's Insider Trading Policy). If an election change is received during a blackout period it will be processed on the first payroll following the blackout period. To make such a change, the Participant must submit a new Enrollment Form authorizing the new rate of payroll deductions at least 10 days before the Purchase Date. A Participant may decrease or increase his or her rate of payroll deductions for future Offering Periods by submitting a new Enrollment Form authorizing the new rate of payroll deductions at least 10 days before the start of the next Offering Period.

6.3 Automatic Re-enrollment. The deduction rate selected in the Enrollment Form shall remain in effect for subsequent Offering Periods unless the Participant: (i) submits a new Enrollment Form authorizing a new level of payroll deductions in accordance with Section 6.2; (ii) withdraws from the Plan in accordance with Section 10; or (iii) terminates employment or otherwise becomes ineligible to participate in the Plan.

7. Grant of Option. On each Offering Date, each Participant in the applicable Offering Period shall be granted an option to purchase, on the Purchase Date, a number of shares of Common Stock determined by dividing the Participant's accumulated payroll deductions by the applicable Purchase Price; provided, however, that in no event shall any Participant purchase more than 2,500 shares of Common Stock during an Offering Period (subject to adjustment in accordance with Section 18 and the limitations set forth in Section 13 of the Plan).

8. Exercise of Option/Purchase of Shares. A Participant's option to purchase shares of Common Stock will be exercised automatically on the Purchase Date of each Offering Period. The Participant's accumulated payroll deductions will be used to purchase the maximum number of shares that can be purchased with the amounts in the Participant's notional account. No fractional shares may be purchased but notional fractional shares of Common Stock will be allocated to the Participant's ESPP Share Account to be aggregated with other notional fractional

shares of Common Stock on future Purchase Dates, subject to earlier withdrawal by the Participant in accordance with Section 10 or termination of employment in accordance with Section 11.

9. Transfer of Shares. As soon as reasonably practicable after each Purchase Date, the Company will arrange for the delivery to each Participant of the shares of Common Stock purchased upon exercise of his or her option. The Administrator may permit or require that the shares be deposited directly into an ESPP Share Account established in the name of the Participant with a Designated Broker and may require that the shares of Common Stock be retained with such Designated Broker for a specified period of time. Participants will not have any voting, dividend or other rights of a shareholder with respect to the shares of Common Stock subject to any option granted hereunder until such shares have been delivered pursuant to this Section 9.

10. Withdrawal.

10.1 Withdrawal Procedure. A Participant may withdraw from an Offering by submitting to the Company a revised Enrollment Form indicating his or her election to withdraw at least 10 days before the Purchase Date. The accumulated payroll deductions held on behalf of a Participant in his or her notional account (that have not been used to purchase shares of Common Stock) shall be paid to the Participant promptly following receipt of the Participant's Enrollment Form indicating his or her election to withdraw and the Participant's option shall be automatically terminated. If a Participant withdraws from an Offering Period, no payroll deductions will be made during any succeeding Offering Period, unless the Participant re-enrolls in accordance with Section 6.1 of the Plan.

10.2 Effect on Succeeding Offering Periods. A Participant's election to withdraw from an Offering Period will not have any effect upon his or her eligibility to participate in succeeding Offering Periods that commence following the completion of the Offering Period from which the Participant withdraws.

11. Termination of Employment; Change in Employment Status. Upon termination of a Participant's employment for any reason, including death, disability or retirement, or a change in the Participant's employment status following which the Participant is no longer an Eligible Employee, which in either case occurs at least 30 days before the Purchase Date, the Participant will be deemed to have withdrawn from the Plan and the payroll deductions in the Participant's notional account (that have not been used to purchase shares of Common Stock) shall be returned to the Participant, or in the case of the Participant's death, to the persons entitled to such amounts under Section 17, and the Participant's option shall be automatically terminated. If the Participant's termination of employment or change in status occurs within 30 days before a Purchase Date, the accumulated payroll deductions shall be used to purchase shares on the Purchase Date.

12. Interest. No interest shall accrue on or be payable with respect to the payroll deductions of a Participant in the Plan.

13. Shares Reserved for Plan.

13.1 Number of Shares. A total of 500,000 shares of Common Stock have been reserved as authorized for the grant of options under the Plan. The shares of Common Stock may be newly issued shares, treasury shares or shares acquired on the open market.

13.2 Over-subscribed Offerings. The number of shares of Common Stock which a Participant may purchase in an Offering under the Plan may be reduced if the Offering is over-subscribed. No option granted under the Plan shall permit a Participant to purchase shares of Common Stock which, if added together with the total number of shares of Common Stock purchased by all other Participants in such Offering would exceed the total number of shares of Common Stock remaining available under the Plan. If the Administrator determines that, on a particular Purchase Date, the number of shares of Common Stock with respect to which options are to be exercised exceeds the number of shares of Common Stock then available under the Plan, the Company shall make a pro rata allocation of the shares of Common Stock remaining available for purchase in as uniform a manner as practicable and as the Administrator determines to be equitable.

14. Transferability. No payroll deductions credited to a Participant, nor any rights with respect to the exercise of an option or any rights to receive Common Stock hereunder may be assigned, transferred, pledged or otherwise disposed of in any way (other than by will, the laws of descent and distribution, or as provided in Section 17) by the Participant. Any attempt to assign, transfer, pledge or otherwise dispose of such rights or amounts shall be without effect.

15. Application of Funds. All payroll deductions received or held by the Company under the Plan may be used by the Company for any corporate purpose to the extent permitted by applicable law, and the Company shall not be required to segregate such payroll deductions or contributions.

16. Statements. Participants will be provided with statements at least annually which shall set forth the contributions made by the Participant to the Plan, the Purchase Price of any shares of Common Stock purchased with accumulated funds, the number of shares of Common Stock purchased, and any payroll deduction amounts remaining in the Participant's notional account.

17. Designation of Beneficiary. A Participant may file, on forms supplied by the Administrator, a written designation of beneficiary who is to receive any shares of Common Stock and cash in respect of any fractional shares of Common Stock, if any, from the Participant's ESPP Share Account under the Plan in the event of such Participant's death. In addition, a Participant may file a written designation of beneficiary who is to receive any cash withheld through payroll deductions and credited to the Participant's notional account in the event of the Participant's death prior to the Purchase Date of an Offering Period.

18. Adjustments Upon Changes in Capitalization; Dissolution or Liquidation; Corporate Transactions.

18.1 Adjustments. In the event that any dividend or other distribution (whether in the form of cash, Common Stock, or other property), recapitalization, stock split, reverse stock



split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Common Stock or other securities of the Company, or other change in the Company's structure affecting the Common Stock occurs, then in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, the Administrator will, in such manner as it deems equitable, adjust the number of shares and class of Common Stock that may be delivered under the Plan, the Purchase Price per share and the number of shares of Common Stock covered by each outstanding option under the Plan, and the numerical limits of Section 7 and Section 13.

18.2 Dissolution or Liquidation. Unless otherwise determined by the Administrator, in the event of a proposed dissolution or liquidation of the Company, any Offering Period then in progress will be shortened by setting a new Purchase Date and the Offering Period will end immediately prior to the proposed dissolution or liquidation. The new Purchase Date will be before the date of the Company's proposed dissolution or liquidation. Before the new Purchase Date, the Administrator will provide each Participant with written notice, which may be electronic, of the new Purchase Date and that the Participant's option will be exercised automatically on such date, unless before such time, the Participant has withdrawn from the Offering in accordance with Section 10.

18.3 Corporate Transaction. In the event of a Corporate Transaction, each outstanding option will be assumed or an equivalent option substituted by the successor corporation or a parent or Subsidiary of such successor corporation. If the successor corporation refuses to assume or substitute the option, the Offering Period with respect to which the option relates will be shortened by setting a new Purchase Date on which the Offering Period will end. The new Purchase Date will occur before the date of the Corporate Transaction. Prior to the new Purchase Date, the Administrator will provide each Participant with written notice, which may be electronic, of the new Purchase Date and that the Participant's option will be exercised automatically on such date, unless before such time, the Participant has withdrawn from the Offering in accordance with Section 10.

## 19. General Provisions.

19.1 Equal Rights and Privileges. Notwithstanding any provision of the Plan to the contrary and in accordance with Section 423 of the Code, all Eligible Employees who are granted options under the Plan shall have the same rights and privileges.

19.2 No Right to Continued Service. Neither the Plan nor any compensation paid hereunder will confer on any Participant the right to continue as an Employee or in any other capacity.

19.3 Rights as Shareholder. A Participant will become a shareholder with respect to the shares of Common Stock that are purchased pursuant to options granted under the Plan when the shares are transferred to the Participant's ESPP Share Account. A Participant will have no rights as a shareholder with respect to shares of Common Stock for which an election to participate in an Offering Period has been made until such Participant becomes a shareholder as provided above.

19.4 Successors and Assigns. The Plan shall be binding on the Company and its successors and assigns.

19.5 Entire Plan. The Plan constitutes the entire plan with respect to the subject matter hereof and supersedes all prior plans with respect to the subject matter hereof.

19.6 Compliance with Law. The obligations of the Company with respect to payments under the Plan are subject to compliance with all applicable laws and regulations. Common Stock shall not be issued with respect to an option granted under the Plan unless the exercise of such option and the issuance and delivery of the shares of Common Stock pursuant thereto shall comply with all applicable provisions of law, including, without limitation, the Securities Act, the Exchange Act, and the requirements of any stock exchange upon which the shares may then be listed.

19.7 Disqualifying Dispositions. No Participant may, without the Company's prior written consent, sell or otherwise transfer any shares of Common Stock acquired pursuant to the exercise of an option acquired under the Plan within one year after the applicable Purchase Date. In the event that a Participant sells any such shares of Common Stock within two years after the applicable Offering Date, the Participant shall notify the Company in writing of such disposition. Notwithstanding the foregoing and subject to compliance with applicable Federal and state securities laws, a Participant may sell such shares of Common Stock within one year after the applicable purchase date upon sufficient showing to the Administrator that (1) the proposed sale is due to an immediate and heavy financial need; (2) the proposed sale is necessary to satisfy that need; and (3) the proposed sale will not exceed the amount needed by the Participant. The Administrator may grant or deny any such request in its sole discretion.

19.8 Term of Plan. The Plan shall become effective on the Effective Date and, unless terminated earlier pursuant to Section 19.9, shall have a term of 10 years.

19.9 Amendment or Termination. The Administrator may, in its sole discretion, amend, suspend or terminate the Plan at any time and for any reason. If the Plan is terminated, the Administrator may elect to terminate all outstanding Offering Periods either immediately or once shares of Common Stock have been purchased on the next Purchase Date (which may, in the discretion of the Administrator, be accelerated) or permit Offering Periods to expire in accordance with their terms (and subject to any adjustment in accordance with Section 18). If any Offering Period is terminated before its scheduled expiration, all amounts that have not been used to purchase shares of Common Stock will be returned to Participants (without interest, except as otherwise required by law) as soon as administratively practicable.

19.10 Applicable Law. The laws of the State of Colorado shall govern all questions concerning the construction, validity and interpretation of the Plan, without regard to such state's conflict of law rules.

19.11 Shareholder Approval. The Plan shall be subject to approval by the shareholders of the Company within 12 months before or after the date the Plan is adopted by the Board.

19.12 Section 423. The Plan is intended to qualify as an “employee stock purchase plan” under Section 423 of the Code. Any provision of the Plan that is inconsistent with Section 423 of the Code shall be reformed to comply with Section 423 of the Code.

19.13 Withholding. To the extent required by applicable Federal, state or local law, a Participant must make arrangements satisfactory to the Company for the payment of any withholding or similar tax obligations that arise in connection with the Plan.

19.14 Severability. If any provision of the Plan shall for any reason be held to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereof, and the Plan shall be construed as if such invalid or unenforceable provision were omitted.

19.15 Headings. The headings of sections herein are included solely for convenience and shall not affect the meaning of any of the provisions of the Plan.