

Date December 2, 2010

To: All Trustees, Officers and Employees of the Company

From: Gerard H. Sweeney, Chief Executive Officer and President

Subject: Trading in Company Securities

Accompanying the privilege of being a trustee, officer or employee of a public company come responsibilities to the Company's public shareholders as well as obligations and potential liabilities under federal and state securities laws. These responsibilities and obligations are consistent with the high quality standards and commitment that the Company has always shown to its shareholders. They are an extension of the professionalism and commitment that we exhibit as trustees, officers and employees of the Company.

We have recently revised the Company's "Policy Statement on Dealing with Company Information, Including Inside Information and Securities Insider Trading." This Policy Statement formally advises you of your responsibilities and obligations as a trustee, officer or employee of the Company and reaffirms expectations of the Company regarding the conduct of its trustees, officers and employees. The Company requires all trustees, officers and employees to protect the confidences and secrets of the Company and its customers. It also requires its trustees, officers and employees to conduct themselves so as not to personally benefit or benefit others through the disclosure or use of material nonpublic or proprietary information.

The overriding thrust of the Company's Policy Statement is a blanket prohibition on trading in the Company's securities while aware of material nonpublic information. The Policy Statement:

1. Establishes a general prohibition against the disclosure of material nonpublic information to others (including family members).
2. Requires trustees, officers and those employees of the Company regularly involved in the evaluation of material information to refrain from trading in the securities of the Company unless (a) the trade occurs at a time when the insider is not aware of non-public material information and falls within the period beginning 48 hours after the Company's public release of quarterly and annual earnings and ending on the Closing Date (defined below) (provided that trading is prohibited during the last two weeks of the Company's fiscal quarter even if the Closing Date has not then arrived) or (b) the trade is made in accordance with a "Rule 10b5-1" Plan that has been pre-approved by the Company's General Counsel, as described in more detail in both the Policy Statement and the attached memorandum from the Company's General Counsel. In addition, trustees, officers and other employees subject to the trading window may make bona fide gifts outside of the trading window only after clearing such gifts with the Company's General Counsel. The term "Closing Date" means the date that ends 30 days after the Company's public release of quarterly and annual earnings

extended by the number of days, if any, that are legal holidays that fall within such thirty-day period.

The Company's General Counsel has been designated as the Compliance Officer of the Company and will be available to answer your questions.

Because the Company will suffer irreparable damage to its reputation and business if the policies and practices established in the Policy Statement are violated, the penalty for any violation by any trustee, officer or employee will be severe and can include dismissal by the Company as well as prosecution for violation of federal and/or state law.

As a condition to employment with the Company, **each officer and employee will be required to sign and return the Certification** that is attached to the Policy Statement. In January of each year, the Company will distribute to everyone a copy of this Policy Statement as a reminder and will require each officer and employee to certify annually, by the execution of a copy of that Certification, compliance with and an undertaking to adhere to the Policy Statement. Notwithstanding the failure of any officer or employee to return the Certification or execute one annually, that officer or employee will nevertheless be required to comply with the Policy Statement.

## BRANDYWINE REALTY TRUST

### **POLICY STATEMENT ON DEALING WITH COMPANY INFORMATION, INCLUDING INSIDE INFORMATION AND SECURITIES INSIDER TRADING**

In the course of conducting the business of Brandywine Realty Trust (the “Company”), you may at times have information about the Company or another entity that generally is not available to the public. Because of your relationship with the Company, you have certain responsibilities under the federal securities laws regarding inside information and the trading of the Company’s securities. This Policy Statement is intended to explain your obligations to the Company and under the law.

#### **INSIDE INFORMATION**

##### **What is Inside Information?**

“Inside” information is material information about the Company that is not generally available to the public. Information generally becomes available to the public when it has been disclosed by the Company or third parties in a press release or other public statement, including any filing with the Securities and Exchange Commission (“SEC”), and after sufficient time has passed for the information thus disclosed to be disseminated in the market.

##### **What is Material Information?**

Information generally is considered “material” if its disclosure to the public would be reasonably likely to affect (i) investors’ decisions to buy or sell the securities of the Company or (ii) the market price of the securities. Some examples of material information include: (a) a proposed merger, acquisition or tender offer involving the Company; (b) a proposed acquisition or disposition of a significant asset; (c) information regarding the Company’s revenues or earnings; (d) financial forecasts, especially estimates of earnings; (e) increases or decreases in dividends; (f) pending regulatory action; (g) significant litigation; (h) the public or private sale of additional securities of the Company; or (i) major management changes. Obviously, what is material information cannot be enumerated with precision, since there are many gray areas and varying circumstances. The determination of whether information was material is almost always made after the fact when the effect on the market can be quantified. Therefore, any trading is risky. When doubt exists, the information should be presumed to be material. **If you are unsure whether information of which you are aware is material or nonpublic, you should consult with the Company’s Compliance Officer prior to trading.**

##### **Reasons for Maintaining Confidentiality.**

The federal securities laws strictly prohibit any person who obtains material inside information and has a duty not to disclose it from using such information in connection with the purchase and sale of securities. Whether information has been obtained in the course of employment, from friends, relatives, acquaintances or strangers,

or from overhearing the conversations of others, trading based on insider information may still violate the law. Congress enacted this prohibition because the integrity of the securities markets would be seriously undermined if the “deck were stacked” against persons not privy to such information. Your failure to maintain the confidentiality of material nonpublic information about the Company could greatly harm the Company’s ability to conduct business. In addition, you could be exposed to significant penalties and legal action.

### **Safeguarding Material Information.**

During the period that material information relating to the Company or its business is unavailable to the general public, it must be kept in strict confidence. Premature or selective disclosure of nonpublic material information may jeopardize potential business relationships and transactions of the Company and may violate federal securities law restrictions on selective disclosure of such information. Accordingly, such information should be discussed only with persons within the Company who have a “need to know” and should be confined to as small a group as possible. The utmost care and circumspection must be exercised at all times. Therefore, conversations in public places, such as elevators, restaurants and airplanes, should be limited to matters that do not involve information of a sensitive or confidential nature. You may not discuss the Company or its business in an Internet “chat room” or similar Internet-based forum.

To assure that Company confidences are protected to the maximum extent possible, no individuals other than specifically authorized personnel may release material information to the public or respond to inquiries from the media, analysts or others outside the Company.

### **INSIDER TRADING OF SECURITIES**

“Insider Trading” is a top enforcement priority of the SEC and the Department of Justice. Criminal prosecution and the imposition of large fines and/or imprisonment are commonplace.

Anyone who violates the insider trading prohibitions contained in the federal securities laws is subject to potential civil liability and criminal penalties. The civil liability can consist of disgorgement of profits and a fine of up to three times the profit gained or the loss avoided. The criminal penalties can be as much as \$5,000,000 and 25 years imprisonment for each violation.

In addition, the SEC can seek a civil penalty against a company and its trustees and supervisory personnel, either as “controlling persons” who fail to take appropriate steps to prevent illegal trading or as “aiders and abettors” of such conduct. Trustees, officers and certain managerial personnel could become subject to liability if they knew of, or recklessly disregarded, likely insider trading by an employee under their control. A successful action by the SEC under this provision could result in a civil fine of \$1,000,000 or three times the profit gained or the loss avoided, whichever is greater.

Criminal penalties can be up to \$5,000,000 and 25 years imprisonment for an individual and \$25,000,000 for a company.

In addition to the possible imposition of civil damages and criminal penalties on violators and their controlling persons and aiders and abettors, any appearance of impropriety could not only damage the Company's reputation for integrity and ethical conduct but also impair investor confidence in the Company.

If a person violates the Company's Policy Statement, the Company may impose sanctions, including dismissal or removal for cause. Even if the SEC does not prosecute a case, involvement in an investigation (by the SEC or the Company) can tarnish the trustee's or executive's reputation and damage his or her career.

Any person who has supervisory authority over any Company personnel must promptly report to the Company's Compliance Officer any trading in the Company's securities by Company personnel or disclosure of material "nonpublic" information by Company personnel which he or she has reason to believe may violate this Policy Statement or the securities laws of the United States.

#### Summary of Company Policy Regarding Securities Trading

1. Regardless of your position with the Company, you may not buy or sell the securities of the Company (or any other company) when you are aware of "material" nonpublic information concerning the Company (or any other company), except pursuant to a Rule 10b5-1 prearranged trading program as described in the attached memorandum from the Company's General Counsel and pre-cleared by the General Counsel. The insider trading rules apply both to securities purchases (to make a profit based on good news) and securities sales (to avoid a loss based on bad news) regardless of how or from whom the material nonpublic information has been obtained. In addition, no trustee, officer or other employee of the Company who, in the course of working for the Company, becomes aware of material nonpublic information about a company with which the Company does business, including a tenant, customer or supplier of the Company, may trade in that company's securities until the information becomes public or is no longer material.

2. Trustees and officers, as well as employees regularly involved in the review or evaluation of material information involving the Company, may buy and sell the Company's securities only if the trade occurs at a time when the insider is not aware of non-public material information and is made within the period beginning 48 hours after the Company's public release of quarterly earnings and ending on the Closing Date (defined below) (provided that trading is prohibited during the last two weeks of the Company's fiscal quarter even if the Closing Date has not then arrived). The restriction on trading during a window period does not apply to trades made pursuant to a Rule 10b5-1 prearranged trading program, as described in the attached memorandum, that has been pre-approved by the General Counsel. In addition, trustees, officers and other employees subject to the trading window may make bona fide gifts outside of the trading window only after clearing such gifts with the Company's General Counsel. Those of

you who are not officers but whose position with the Company regularly includes the review or evaluation of material information involving the Company will be notified by a separate letter whether you are subject to the trading “window.” The term “Closing Date” means the date that ends 30 days after the Company’s public release of quarterly and annual earnings extended by the number of days, if any, that are legal holidays that fall within such thirty-day period.

3. You may not convey material nonpublic information (“tip”) to any other person (except other Company employees on a “need to know” basis in the course of performing your or their jobs with the Company) by providing them with material nonpublic information regarding the Company (or any other company) or assisting them in any way. The concept of unlawful tipping includes passing on such information to friends, family members or acquaintances under circumstances that suggest that you were trying to help them make a profit or avoid a loss.

### Restrictions on Trading and Tipping

In light of the Company’s responsibilities under the federal securities laws, the Company has adopted the following policies regarding your trading in securities:

1. General Trading Restrictions. Trustees, officers and other employees of the Company may not buy or sell securities of the Company or any other publicly traded company while aware of material nonpublic information, except pursuant to a Rule 10b5-1 prearranged trading plan that has been pre-approved by the General Counsel. Neither you nor any person affiliated with you (which may include family members and business entities in which you are a director, trustee, officer or large stockholder) may buy or sell securities or engage in any other action to take advantage of, or pass on to others, nonpublic material information. This prohibition extends not only to transactions involving Company securities but also transactions involving securities of other entities with which the Company has a relationship.

2. Trading Window Period. Trustees, officers and employees of the Company regularly involved in the review or evaluation of material information involving the Company may trade in the Company’s securities only during the period that begins 48 hours following the release of the Company’s annual and quarterly earnings and that ends on the Closing Date (defined above) (provided that trading is prohibited during the last two weeks of the Company’s fiscal quarter even if the Closing Date has not then arrived) so long as they are not otherwise aware of material nonpublic information involving the Company. The restriction on trading during a window period does not apply to trades made pursuant to a Rule 10b5-1 prearranged trading program that has been pre-approved by the General Counsel. Trading during any other time period by you is strictly prohibited. Because someone in your position is especially likely to receive inside information about the Company, confining your trading in the Company’s securities to this “window period,” other than pursuant to a Rule 10b5-1 prearranged trading program, will help ensure that trading is not based on material information that is not available to the public. Trustees, officers and other employees

subject to the trading window may make bona fide gifts outside of the trading window only after clearing such gifts with the Company's General Counsel.

3. Stock Option Exercises. The trading restrictions do not apply to the exercise of an employee stock option or to the exercise of a tax withholding right pursuant to which you elect to have the Company withhold shares subject to an option to satisfy tax withholding requirements. The trading restrictions do apply, however, to any sale of Company securities as part of a broker-assisted cashless exercise of an option or any other market sale for the purpose of generating the cash needed to pay the exercise price of an option.

4. Dividend Reinvestment and Share Purchase Plan. The trading restrictions do not apply to purchases of Company securities under the Company's dividend reinvestment and share purchase plan resulting from a reinvestment of dividends paid on Company securities. The trading restrictions do apply, however, to voluntary purchases of Company securities resulting from additional contributions made to the plan as well as to an election to participate in the plan or to increase the level of participation in the plan. The restrictions also apply to the sale of Company securities purchased pursuant to the plan.

5. Deferred Compensation Plan. The trading restrictions do not apply to purchases of Company securities (or equivalents) in the deferred compensation plan resulting from periodic payroll deductions. The trading restrictions do apply, however, to certain elections you may make under the deferred compensation plan, including (a) an election to increase or decrease the percentage of periodic contributions that will be allocated to the Company securities (or equivalent) investment alternative, (b) an election to make an intra-plan transfer of an existing account balance into or out of the Company securities (or equivalent) investment alternative and (c) an election to borrow money against your plan account if the loan will result in a liquidation of some or all of the balance in the Company securities (or equivalent) investment alternative.

6. Margin Accounts and Pledges. Securities held in a margin account may be sold by the broker without the customer's consent if the customer fails to meet a margin call. Similarly, securities pledged (or hypothecated) as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan. Because a margin sale or foreclosure sale may occur at a time with the pledgor is aware of material nonpublic information or otherwise is not permitted to trade in Company securities, trustees, officers and other employees regularly involved in the review or evaluation of material information are prohibited from holding Company securities in a margin account or pledging Company securities as collateral for a loan. An exception to this prohibition may be granted where a person wishes to pledge Company securities as collateral for a loan (not including margin debt) and clearly demonstrates the financial capacity to repay the loan without resort to the pledged securities. Any person who wishes to pledge Company securities as collateral for a loan must submit a request for approval to the General Counsel at least two weeks prior to the proposed execution of documents evidencing the proposed pledge.

7. Short Sales. Short sales of the Company's securities evidence an expectation on the part of the seller that the securities will decline in value, and therefore signal to the market that the seller lacks confidence in the Company or its short-term prospects. In addition, short sales may reduce the seller's incentive to improve the Company's performance. For these reasons, short sales of the Company's securities are prohibited by this Policy Statement. In addition, Section 16(c) of the Securities Exchange Act of 1934 prohibits officers and trustees from engaging in short sales.

8. Publicly Traded Options. A transaction in options (other than options granted under a Company long-term incentive or option plan) is, in effect, a bet on the short-term movement of the Company's shares and therefore creates the appearance that the trustee or employee is trading based on inside information. Transactions in options also may focus the trustee's or employee's attention on short-term performance at the expense of the Company's long-term objectives. Accordingly, transactions in puts, calls or other derivative securities, on an exchange or in any other organized securities market, are prohibited by this Policy Statement.

9. Hedging Transactions. Certain forms of hedging or monetization transactions, such as zero-cost collars and forward sale contracts, allow an employee to lock in much of the value of his or her share holdings, often in exchange for all or part of the potential for upside appreciation in the shares. These transactions allow the trustee or employee to continue to own the covered securities, but without the full risks and rewards of ownership. When that occurs, the trustee or employee may no longer have the same objectives as the Company's other shareholders. Therefore, trustees and employees are prohibited from engaging in any such transactions.

10. Advance Notice to Company. To ensure that all SEC filings reflecting transactions in Company securities by trustees and executive officers are made by required deadlines, acquisitions and dispositions of Company securities may only be made by trustees and executive officers following prior notice of the planned acquisition or disposition to the General Counsel or his designee.

11. Disclosure of Information. Trustees, officers and other employees of the Company may not communicate material nonpublic information to other persons prior to its public disclosure and dissemination. Persons at the Company who come into possession of material inside information must not communicate that information to other persons prior to its public disclosure and dissemination. There is, therefore, a need to exercise care when speaking with other Company personnel who do not have a "need to know" and when communicating with family, friends and other persons not associated with the Company. To avoid even the appearance of impropriety, it is wise to refrain from discussing the Company's business or prospects or making recommendations about buying or selling the securities of the Company or other entities with which the Company has a relationship.

12. Application to Former, Temporary or Retired Trustees, Officers or Employees. The Company's Policy and the legal prohibition on insider trading in any security while in possession of material nonpublic information obtained while an

employee of or conducting any business or activity on behalf of the Company applies to all former, temporary or retired officers, trustees or employees of the Company.

## CERTIFICATION

The undersigned hereby certifies that he or she:

- a. has read and understands the Policy Statement on Dealing with Company Information, Including Inside Information and Securities Insider Trading, a copy of which was distributed with this Certificate;
- b. has complied with the policy and procedures set forth in the Policy Statement; and
- c. will continue to comply with the policy and procedures set forth in the Policy Statement.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_  
(Please Print)

Date: \_\_\_\_\_

TO: All Trustees, Officers and other insiders of Brandywine Realty Trust

FROM: Brad A. Molotsky, General Counsel

DATE: December 2, 2010

SUBJECT: Prearranged Securities Trading Programs

Rule 10b5-1 adopted by the SEC permits trustees, officers and other “insiders” to implement prearranged securities trading programs without running afoul of insider trading rules if certain requirements are met. Insiders can establish arrangements or programs to sell or purchase the securities of Brandywine Realty Trust (the “Company”), even during the “window periods” imposed by the Company’s insider trading policy, and even though the insider coincidentally possesses material nonpublic information at the time of the trade. Please note, however, that there are numerous restrictions associated with arrangements complying with the Rule 10b5-1 and that ***all plans, arrangements or instructions must be approved by the Company’s legal department.***

#### Prerequisites for a Prearranged Trading Program

Prearranged trading programs can take a wide variety of forms. Most brokerage firms have their own templates, but every plan is unique.

A prearranged trading program must satisfy the general requirements of Rule 10b5-1. The arrangement must be documented, made in good faith and established at a time when the insider does not possess material nonpublic information. Additionally, the plan must specify the price, amount and date of trades, or provide a formula or other mechanism to be followed for each purchase or sale to be effected pursuant to the plan. Once purchases or sales commence pursuant to a plan, you may not modify or terminate the plan except at a time when you are not in possession of material nonpublic information, and any such modification or termination must be approved by the Company’s legal department. In an attempt to ensure that an insider does not adopt, modify or terminate a Rule 10b5-1 plan at a time when the insider possesses nonpublic material information, the Company will require that any adoption, modification or termination of a Rule 10b5-1 plan occur only during a “window period” as specified in the Company’s insider trading policy.

Under a Rule 10b5-1 plan, for example, an insider could instruct a broker to sell or purchase a specified number of company shares on the first trading day of each month at the market price or, if desired, at a minimum or maximum price until an aggregate of a specified number of shares have been sold or purchased under the plan.

It is essential to recognize that Rule 10b5-1 provides only an “affirmative defense,” which must be raised and proven in the event of an insider trading lawsuit. The new rule does not prevent the SEC or a public shareholder from bringing a lawsuit. Further, Rule 10b5-1 does not prevent the media from writing about the sales made by an officer or trustee.

The Company does not want to impede sales of the Company's common shares of beneficial interest ("shares") by officers and trustees. However, in order to reduce the risk of litigation and negative press, and to preserve the Company's reputation and that of its employees, the Company requires, as an element of the Company's insider trading policy, that all such trading plans obtain the approval of the Company's General Counsel prior to implementation.

The Company's General Counsel will not approve any prearranged trading plan, and trustees, officers and other insiders will not be able to utilize the affirmative defense under Rule 10b5-1, without taking the following steps:

1. Company Review of the Proposed Arrangement. The Company must review all proposed plans, and modifications and terminations of arrangements, to assure that it will not expose the Company or a particular trustee, officer or other insider to liability. Company review will also facilitate compliance with the Company's obligation to disclose publicly adoption, modification and termination of Rule 10b5-1 plans, as discussed below.

2. Additional Steps to Reduce Risk. To reduce exposures to liability, the General Counsel will need to confirm that at the time you enter into an arrangement or at any time that you want to terminate or modify a prior instruction or plan, you are not in possession of material nonpublic information about the Company. If material nonpublic information exists, even if you do not have a full appreciation of such information, the General Counsel may require that you wait until such information has been publicly disclosed (or ceases to be material) to modify the plan. It may also be advisable for there to be an interval between establishment of the plan and the first transaction. Furthermore, as indicated above, in an attempt to ensure that an insider does not adopt, modify or terminate a Rule 10b5-1 plan at a time when the insider possesses nonpublic material information, the Company will require that any adoption, modification or termination of a Rule 10b5-1 plan occur only during a "window period" as specified in the Company's insider trading policy.

3. Public Disclosure. The Company may make public disclosure of the adoption, modification or termination of a Rule 10b5-1 plan. In addition, the Company may require the inclusion of a statement in SEC filings, such as Form 4 or Form 144, that the trades are being made pursuant to a pre-existing plan.

4. Discuss Responsibility for Meeting Other Legal Requirements in Advance. The General Counsel will need to establish a procedure with the brokerage firm or other financial institution that is handling the trades made under your established arrangement to ensure:

a. Prompt filings of SEC Form 4 and other required SEC filings after transactions take place. Failure to make a timely filing will result in securities law violations and, in addition, unwanted disclosure of filing violations in the Company's proxy statement;

- b. Compliance with SEC Rule 144 at the time of any sale; and
- c. Cessation of any sales during periods when a lock-up is imposed on insiders.

#### Structuring the Prearranged Trading Program

The prearranged trading program must, at a minimum:

- a. Be in writing.
- b. Be entered into in good faith and not as part of a scheme to evade the Company's insider trading policy or applicable federal securities law; and
- c. Either --
  - (1) Expressly specify the number of shares or dollar value of securities to be purchased or sold ("Amounts"); the market price (on a particular day), limit price, or particular dollar price of securities to be purchased or sold ("Prices"); and the specific day of the year on which a market order is to be executed, or a day or days of the year on which a limit order is in force ("Dates");
  - (2) Provide a formula, algorithm, or computer program for determining the Amounts, Prices and Dates; or
  - (3) Prohibit the individual submitting the prearranged trading plan to exercise any subsequent influence over how, when, or whether to effect purchases or sales and, additionally, prohibit any other person exercising influence over purchases or sales pursuant to the prearranged trading plan from being aware of material nonpublic information when doing so.

Although the SEC has indicated that a person may modify a Rule 10b5-1 Plan at a time when the person is not aware of material non-public information, modification of a Rule 10b5-1 Plan entails the risk that the SEC or others will view the Plan as inconsistent with the requirement of the Rule that the Plan be entered into in good faith and not as part of a strategy to evade the restrictions of the Rule. Early termination of a Plan also involves a significant degree of risk. Accordingly, a Rule 10b5-1 Plan should provide for periodic purchases or sales over a specified period of time without modification or termination of the Plan. Moreover, as indicated above, in an attempt to ensure that an insider does not adopt, modify or terminate a Rule 10b5-1 plan at a time when the insider possesses nonpublic material information, and to ensure that the Company makes public disclosure of modifications and termination, the Company will require that any adoption, modification or termination of a Rule 10b5-1 plan occur only during a "window period" as specified in the Company's insider trading policy and only after prior notice to the General Counsel.

### Benefits to the Company of Prearranged Trading Plans

Prearranged trading programs may include the use of limit orders, discretionary accounts, blind trusts, pre-scheduled share option exercises and sales, pre-arranged trading instructions, and other brokerage or third party arrangements. With a trading plan, it becomes more clear to the investing public (and potential plaintiffs) that your trades are part of a pre-established plan and are not being prompted by your knowledge of current developments within the Company, or your opinions about the Company's prospects. Prearranged trades triggered by the guidelines of a pre-existing trading plan would also reduce the strength of a suit claiming that the Company had a particular motive to manipulate earnings or disclosures in connection with an insider's trade.

### Options

A prearranged program could include instructions for periodic exercises and same-day sales of your share options which could be conditioned on a minimum share price established by your instructions. You could impose several conditions on the exercises and sales. For example, sales could be limited to the number of shares necessary to cover the option exercise price and taxes due.

### Discretionary Accounts

True discretionary accounts or other arrangements where a trustee or broker has complete authority over trades should satisfy Rule 10b5-1, provided that neither you nor the trustee or broker are aware of material nonpublic information upon the creation of the arrangement and, further, that you do not exercise any subsequent influence over trades. Examples of workable arrangements include blind trusts, good-till-cancelled orders, and limit orders. However, the Company might not approve such an arrangement where a broker has a close relationship with the insider because it might increase the risk of the actual or apparent disclosure of material nonpublic information that could undermine the affirmative defense in the event of litigation.

### Pledging Company Shares as Security

In the event of a margin call, where a broker seeks to liquidate shares held as collateral, such a sale would be attributable to the insider under Section 16 and Rule 144. Such a sale would be able to satisfy Rule 10b5-1 only in limited circumstances. Accordingly, a pledge of Company securities will be subject to pre-clearance by the General Counsel and will be reviewed on a case-by-case basis.

### Conclusion

Rule 10b5-1 offers a means to trade securities of the Company with some protection from insider trading liability, provided all the elements of the defense are satisfied, albeit at the cost of complete control over the timing of transactions, which insiders do not have anyway. Please submit to the General Counsel all trading program documentation proposed to you by any broker or financial institution as well as proposed

modifications of such documentation, and please call the General Counsel with any questions.