

## INSIDER TRADING POLICY

Revised and Approved November 17, 2017

### Purpose and Background

The purpose of this Policy is to ensure that all of the employees, officers and directors (“you”) of ESI and its subsidiaries, as well as ESI itself, fully comply with the provisions of the federal securities laws with respect to the trading of ESI’s securities, as well as the securities of publicly traded companies with whom ESI has a business relationship.

ESI employees have the opportunity to participate in ESI’s future by investing in ESI stock, whether directly or through ESI’s compensation and benefits plans. These investments must be made with caution, however, as a result of the increasing complexity of the laws applicable to such investments and the severe penalties for failure to comply with these laws.

Federal and state securities laws prohibit the purchase or sale of a company’s securities by persons who are aware of material information about that company that is not generally known or available to the public. These laws also prohibit persons who are aware of such material, nonpublic information from disclosing this information to others who may trade. Companies and their controlling persons are also subject to liability if they fail to take reasonable steps to prevent insider trading by company personnel.

It is important that you understand the breadth of activities that constitute illegal insider trading and the consequences, which can be severe. Both the U.S. Securities and Exchange Commission (the “SEC”) and the Financial Industry Regulatory Authority investigate and are very effective at detecting insider trading. The SEC, together with the U.S. Attorneys, pursue insider trading violations vigorously. Cases have been successfully prosecuted against trading by employees through foreign accounts, trading by family members and friends, and trading involving only a small number of shares.

This Policy is designed to prevent insider trading or allegations of insider trading, and to protect ESI’s reputation for integrity and ethical conduct. It is your obligation to

understand and comply with this Policy. If you have any questions regarding this Policy, please contact ESI's Compliance Officer.

### *Applicability of Policy*

*Persons Covered.* This Policy applies to all members of the Board of Directors, all executive officers, and all employees, consultants and contractors of ESI or its subsidiaries. This Policy also applies to the immediate family, members of a person's household, and any entities influenced or controlled (including corporations, limited liability companies, partnerships or trusts) by a person covered by this Policy.

You are responsible for making sure that the purchase or sale of any security by any such person or entity covered by this Policy complies with this Policy.

*Companies Covered.* The prohibition on insider trading in this Policy is not limited to trading in ESI's securities. It includes trading in the securities of other firms, such as customers or suppliers of ESI as well as other companies with which ESI may be negotiating major transactions, such as an acquisition, investment or sale. Information that is not material to ESI may nevertheless be material to one of those other firms.

*Transactions Covered.* This Policy applies to all transactions (purchases and sales) in ESI securities, including common stock, options to purchase common stock, and any other securities ESI may issue, such as preferred stock, warrants, and convertible debentures, as well as derivative securities such as put and call options..

### *Insider Trading and Tipping Are Prohibited At All Times*

U.S. Federal and state securities laws make it illegal for any ESI employee to buy or sell ESI stock at a time when in possession of "material, nonpublic information" relating to ESI or its subsidiaries unless the transaction is completed pursuant to a pre-arranged trading program as described below. This conduct is known as "insider trading." Passing such material, nonpublic information on to someone who may buy or sell securities -- which is known as "tipping" -- is also illegal. These prohibitions apply to stock, options, or any other securities of ESI, as well as to securities of other companies if you learn something in the course of your duties that may affect their value.

"Material, nonpublic information" is information about a company that is not known to the general public and is likely to influence a typical investor's decision to buy, sell or

hold the company's securities. Material, nonpublic information can include information that something is likely to happen -- or just that it might happen. While it is not possible to define all categories of material information, some examples of information that is particularly sensitive and, as a general rule, should be considered material include the following:

- operating or financial results (including order levels, revenue and operating earnings)
- major new product or service announcements
- significant business or technology acquisitions, sales or joint ventures
- the award or cancellation of significant sales contracts or technology licenses
- major management changes
- public or private debt or equity transactions
- significant write-offs or increases on reserves
- significant litigation or disputes
- delays in product development or problems with quality control
- a stock split or other recapitalization
- a redemption or purchase by ESI of its securities
- any other information which is likely to have a significant impact on ESI's financial results or stock price

If you possess any material, nonpublic information, including the above types of information, the law requires that you refrain from buying or selling ESI securities until after the information has been disclosed to the public and absorbed by the market (in most cases, the first safe day to trade is the second trading day after the disclosure).

Insider trading and tipping are prohibited even if we are not in a blackout period. The fact that you have material, nonpublic information is enough to bar you from trading; it is no excuse that your reasons for trading were not based on that information. For

example, you might have planned to sell ESI shares at a particular time to pay a tuition bill. You may not do so, however, if you possess material, nonpublic information about ESI or its subsidiaries at that time. In addition, as discussed below, all persons on the Insider List are prohibited from engaging in any transactions involving short sales, options or other hedging transactions involving ESI stock, whether or not a blackout period is in effect.

Persons violating these insider trading laws may be found guilty of criminal activity and receive substantial fines (up to \$5,000,000) and a jail sentence (up to 20 years). The SEC may also file a civil lawsuit seeking to recover up to three times the profit gained or loss avoided. In addition, shareholders and ESI may sue for damages. Finally, under a U.S. Federal statute enacted in 1988, ESI could receive substantial fines for insider trading by its employees.

#### *Designation of Certain Persons (“Insider List”)*

ESI has designated certain persons to be included on the “Insider List” (see attachment). ESI believes such persons have, or are likely to have, access to material, nonpublic information on a more frequent basis than other employees. The Insider List may be amended from time to time.

Under special circumstances, certain persons not listed on the Insider List may come to have access to material, non-public information for a period of time. During such period, such persons will also be subject to the restrictions described below.

#### *No Trading During the “Blackout Period”*

In order to protect you and ESI from allegations of insider trading, ESI policy prohibits individuals designated on the Insider List from buying or selling ESI securities during the quarterly “blackout period,” which begins 30 days before the end of each fiscal quarter and ends at the close of the first trading day after the public release of the quarter’s earnings. This policy is based on the presumption that, during the blackout period, persons on the Insider List will have access to the quarter’s financial results, which are deemed material, non-public information until they are disseminated into the marketplace. In addition, transactions in ESI securities may be halted at any time ESI finds it necessary or advisable to halt trading by all employees or certain groups of employees.

You are permitted to do a cash exercise of vested employee stock options granted by ESI during a blackout period, since the purchase price is fixed. You are not, however, permitted to sell the shares acquired through such exercises until the blackout period ends. You are not permitted to exercise stock settled stock appreciation rights during a blackout period because the number of shares issued upon exercise is dependent on the market price of ESI's stock.

If you have any limit orders outstanding, you should suspend them for the duration of the blackout period. Otherwise, your broker might execute a trade for you which is prohibited by the blackout period policy.

Once a person on the Insider List terminates employment with ESI, the insider will continue to be subject to trading restrictions until one full trading day after ESI has disclosed the financial results for the current fiscal quarter.

#### *Preclearance of Trades*

All members of the Board of Directors and executive officers who are subject to the reporting and penalty provisions of Section 16 of the Securities Exchange Act of 1934, as well as certain other insiders designated by ESI, should not trade in ESI's securities, even during the trading window, without first complying with ESI's "pre-clearance" process. Each executive officer, director and other designated person should contact the Compliance Officer prior to beginning any trade. ESI may also find it necessary, from time to time, to require compliance with the pre-clearance process from certain other employees, consultants, and contractors.

#### *Pre-Arranged Trading Programs*

SEC Rule 10b5-1 provides a safe harbor to trading with inside information if, at a time when you do not have material, nonpublic information and when insiders are not in a trading blackout period, you enter into a binding contract to purchase or sell the securities, instruct another person to sell the securities or adopt a written plan for trading the securities.

The contract, instructions or plan mentioned above must (i) specify the amount, price and date of the transaction(s), (ii) include a formula for determining the amount, price or date, or (iii) does not permit the person to exercise any subsequent influence over the purchase or sale.

Finally, the transaction(s) must occur based on the specified plan. If you are interested in entering into a pre-arranged trading program, please contact the Compliance Officer.

#### No Hedging or Pledging

- In order to keep the interests of ESI management aligned with those of its shareholders, the following additional restrictions apply to all persons on the Insider List with respect to transactions in ESI securities:
- No such person may engage in puts, calls, short sales, sales against the box or any other derivative transaction involving ESI securities.
- No transactions in ESI securities, including derivative transactions, may be made in fully managed accounts (accounts over which the account holder has no trading discretion), except dispositions of shares permissibly transferred to the account. Any transfer of securities into a managed account is subject to any restrictions applicable to a sale of such securities.
- Hedging or monetization transactions, which can be accomplished through a number of possible mechanisms, including through the use of financial instruments such as prepaid variable forwards, equity swaps, collars and exchange funds, are prohibited.
- Holding ESI securities in a margin account or otherwise pledging ESI securities as collateral for a loan is prohibited.

#### Ownership Reporting

All executive officers, directors and affiliates of ESI are required to file reports with the SEC reporting all changes in ownership of ESI stock, including purchases, sales, gifts, etc. These reports must be received by the SEC by the second business day following certain transactions. Generally, this will include ESI stock transactions made by anyone living in your home or for any stock over which you have control. If you have any changes in ownership, consult the Compliance Officer immediately to ensure the proper forms are filed in a timely manner.

All sales of ESI stock done by executive officers, directors or affiliates must be made in compliance with Rule 144. Prior to any sale, a Form 144 must be filed with the SEC giving notice of a pending sale. Please notify the Compliance Officer at least three to five days before you plan a sale of ESI stock to arrange for filing of a 144 form.

### Short Swing Trading Liability

If an executive officer, director or more than 10 percent equity shareholder realizes a profit from any purchase and sale or sale and purchase of ESI stock within a period of less than six months, that person is liable to ESI for the amount of the profit. ESI cannot waive your liability. Certain transactions involving ESI stock are not counted as purchases or sales for this purpose. The Compliance Officer should be contacted prior to any purchases or sales of ESI stock.

Noncompliance with the securities laws or any of the foregoing ESI policies constitutes grounds for disciplinary action. This policy is only a very general summary and outline of some of the obligations and restrictions imposed upon insiders under the federal securities laws. Please consult the Compliance Officer for further information..

### Contacts:

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### Subject to Blackout Period and Pre-clearance

- Members of the ESI Board of Directors
- Executive Officers of ESI subject to Section 16 of the Securities Exchange Act of 1934
- Certain additional insiders as designated by ESI



*Subject to Blackout Period*

Those employees who have or are likely to have access to material, nonpublic information on a more frequent basis than other employees are also considered “insiders” and are subject to blackout periods. These employees include, but are not limited to, Director level managers, certain Finance personnel, and certain sales personnel. A separate list of these designated insiders is maintained by ESI’s Stock Plan Administrator.