

**THE CANOPY GROUP, INC.**  
**RESOLUTIONS OF THE BOARD OF DIRECTORS**

**December 17, 2004**

**1. Approval of Option Grants**

WHEREAS, the Board of Directors desires to reassume all authority and powers that may previously have been delegated to a committee ("Committee") designated to administer the 2000 Stock Option Plan (the "Plan") of The Canopy Group, Inc. (the "Company");

WHEREAS, the Board of Directors deems it appropriate at this time to grant options to purchase shares of Class A and Class B common stock of the Company to Raymond J. Noorda (Vice President and director) and to Lewena Noorda (non-employee director) in consideration of present and past services rendered to the Company pursuant to the Plan; and

WHEREAS, the Board of Directors intends that such options have an exercise price per share equal to the fair market value per share of the Company's Class A and Class B common stock on this date;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors hereby reassumes all authority and powers that may previously have been delegated to a Committee under the Plan;

RESOLVED FURTHER, that the Board of Directors hereby directs that the fair market value per share of the Company's Class A and Class B shares as of the date hereof should be determined as soon as practicable by an industry recognized stock appraiser selected by the appropriate officer or officers of the Company. The fair market value as determined by such appraiser shall be reviewed and approved by the Board of Directors and shall be referred to herein as the "Fair Market Value;"

RESOLVED FURTHER, that Raymond J. Noorda and Lewena Noorda are each hereby granted an option to acquire up to the number of shares of the Company's Class A and Class B common stock indicated next to such individual's name in Exhibit A. Each option shall have an exercise price per share equal to the Fair Market Value per share of Class A or Class B common stock, as applicable. Each option shall be immediately exercisable for all of the option shares. Each option shall have a maximum term of 5 years measured from this date of grant;

RESOLVED FURTHER, that the foregoing options to purchase Class A common stock shall not include a tax protection payment clause, notwithstanding the provision therefore in Article 2 of the Plan; and

RESOLVED FURTHER, that each officer of the Company be, and each such officer hereby is, authorized and directed to take all action and to prepare, execute and deliver all documents which such officer deems necessary or advisable to carry out the intent of these resolutions and evidence the stock option grants hereby made, including (without limitation) an appropriate stock option agreement for each such grant and, at the time each such option is exercised, an appropriate stock certificate evidencing the purchased shares.

## **2. Termination of Ralph J. Yarro III**

WHEREAS, the Board of Directors has determined that certain conduct of Mr. Yarro described in written documentation presented to the Board of Directors at this time provides sufficient "cause" (as such term is defined in the Company's 2000 Stock Option Plan, the Notice of Grant of Stock Option (Class A Voting), dated November 7, 2000 by and between the Company and Mr. Yarro, the Stock Option Agreement (Class A Voting), dated November 7, 2000, by and between the Company and Mr. Yarro, and as used in Section 6.03 of the Company's Bylaws) for the termination of Mr. Yarro from employment with the Company; and

WHEREAS, in addition to the foregoing, the Board of Directors has lost confidence in Mr. Yarro's ability to properly perform the responsibilities associated with his position as President and CEO of the Company and, therefore, in the event the grounds presented to Mr. Yarro are deemed not to fall within the meaning of "cause" as set forth in the relevant corporate documents and agreements between the Company and Mr. Yarro, the Board of Directors desires to terminate Mr. Yarro without cause pursuant to Section 6.03 of the Company's Bylaws;

NOW, THEREFORE, BE IT RESOLVED, that Mr. Yarro is hereby terminated for cause, effective immediately this December 17, 2004, from any and all employment positions (aside from his position as a director) he presently holds with the Company, including his position as President and Chief Executive Officer;

RESOLVED FURTHER, in the event the foregoing grounds are deemed not to fall within the meaning of "cause" as set forth in the relevant corporate documents and agreements between the Company and Mr. Yarro, Mr. Yarro is hereby terminated without cause as provided in Section 6.03 of the Company's Bylaws, effective immediately this December 17, 2004, from any and all employment positions (aside from his position as a director) he presently holds with the Company, including his position as President and Chief Executive Officer;

RESOLVED FURTHER, that the Company shall take all available action to remove Mr. Yarro from all positions he holds as an employee, officer, director or consultant of any of the entities in which the Company holds an interest (the "Portfolio Companies"); and

RESOLVED FURTHER, Mr. Yarro is hereby directed to (a) not enter the premises of the Company, (b) immediately return to the Company all Company property, including corporate documents in electronic or other form, all equipment (including wireless email devices, laptop computers, personal digital assistants, etc.), and all keys and other means of physical or electronic access to the Company or the Company's property or information, (c) not access any information of the Company electronically or otherwise, and (d) not access, or make any withdrawals from, any Company accounts (including bank accounts). The new President and Chief Executive Officer of the Company (as elected below) is hereby directed to make proper arrangements for the return of Mr. Yarro's personal belongings presently at the Company, if any.

## **3. Termination of Brent D. Christensen**

WHEREAS, the Board of Directors has determined that certain conduct of Mr. Christensen described in written documentation presented to the Board of Directors at this time provides sufficient "cause" (as such term is defined in the Company's 2000 Stock Option Plan

and as used in Section 6.03 of the Company's Bylaws) for the termination of Mr. Christensen from employment with the Company; and

WHEREAS, in addition to the foregoing, the Board of Directors has lost confidence in Mr. Christensen's ability to properly perform the responsibilities associated with his positions as Vice President-Legal, Assistant Secretary and Legal Counsel of the Company and, therefore, in the event the foregoing grounds are deemed not to fall within the meaning of "cause" as set forth in the relevant corporate documents and agreements between the Company and Mr. Christensen, the Board of Directors desires to terminate Mr. Christensen without cause pursuant to Section 6.03 of the Company's Bylaws;

NOW, THEREFORE, BE IT RESOLVED, that Mr. Christensen is hereby terminated for cause, effective immediately this December 17, 2004, from any and all employment positions he presently holds with the Company, including his position as Vice President-Legal, Assistant Secretary and Legal Counsel;

RESOLVED FURTHER, in the event the foregoing grounds are deemed not to fall within the meaning of "cause" as set forth in the relevant corporate documents and agreements between the Company and Mr. Christensen, Mr. Christensen is hereby terminated without cause as provided in Section 6.03 of the Company's Bylaws, effective immediately this December 17, 2004, from any and all employment positions he presently holds with the Company, including his position as Vice President-Legal, Assistant Secretary and Legal Counsel;

RESOLVED FURTHER, that the Company shall take all available action to remove Mr. Christensen from all positions he holds as an employee, officer, director or consultant of any of the Portfolio Companies; and

RESOLVED FURTHER, Mr. Christensen is hereby directed to (a) not enter the premises of the Company, (b) immediately return to the Company all Company property, including corporate documents in electronic or other form, all equipment (including wireless email devices, laptop computers, personal digital assistants, etc.), and all keys and other means of physical or electronic access to the Company or the Company's property or information, (c) not access any information of the Company electronically or otherwise, and (d) not access, or make any withdrawals from, any Company accounts (including bank accounts). The new President and Chief Executive Officer of the Company (as elected below) is hereby directed to make proper arrangements for the return of Mr. Christensen's personal belongings presently at the Company, if any.

#### **4. Termination of Darcy G. Mott**

WHEREAS, the Board of Directors has determined that certain conduct of Mr. Mott described in written documentation presented to the Board of Directors at this time provides sufficient "cause" (as such term is defined in the Company's 2000 Stock Option Plan and as used in Section 6.03 of the Company's Bylaws) for the termination of Mr. Mott from employment with the Company; and

WHEREAS, in addition to the foregoing, the Board of Directors has lost confidence in Mr. Mott's ability to properly perform the responsibilities associated with his positions as Vice

President-Finance, Chief Financial Officer and Treasurer of the Company and, therefore, in the event the foregoing grounds are deemed not to fall within the meaning of "cause" as set forth in the relevant corporate documents and agreements between the Company and Mr. Mott, the Board of Directors desires to terminate Mr. Mott without cause pursuant to Section 6.03 of the Company's Bylaws;

NOW, THEREFORE, BE IT RESOLVED, that Mr. Mott is hereby terminated for cause, effective immediately this December 17, 2004, from any and all employment positions he presently holds with the Company, including his position as Vice President-Finance, Chief Financial Officer and Treasurer;

RESOLVED FURTHER, in the event the foregoing grounds are deemed not to fall within the meaning of "cause" as set forth in the relevant corporate documents and agreements between the Company and Mr. Mott, Mr. Mott is hereby terminated without cause as provided in Section 6.03 of the Company's Bylaws, effective immediately this December 17, 2004, from any and all employment positions he presently holds with the Company, including his position as Vice President-Finance, Chief Financial Officer and Treasurer;

RESOLVED FURTHER, that the Company shall take all available action to remove Mr. Mott from all positions he holds as an employee, officer, director or consultant of any of the Portfolio Companies; and

RESOLVED FURTHER, Mr. Mott is hereby directed to (a) not enter the premises of the Company, (b) immediately return to the Company all Company property, including corporate documents in electronic or other form, all equipment (including wireless email devices, laptop computers, personal digital assistants, etc.), and all keys and other means of physical or electronic access to the Company or the Company's property or information, (c) not access any information of the Company electronically or otherwise, and (d) not access, or make any withdrawals from, any Company accounts (including bank accounts). The new President and Chief Executive Officer of the Company (as elected below) is hereby directed to make proper arrangements for the return of Mr. Mott's personal belongings presently at the Company, if any.

#### **5. Election of President, Chief Executive Officer and Treasurer**

WHEREAS, the Board of Directors desires to elect a new President, Chief Executive Officer and Treasurer of the Company;

NOW, THEREFORE, BE IT RESOLVED, that William Mustard is hereby elected to the offices of President, Chief Executive Officer and Treasurer of the Company, such election to be effective immediately and to remain in effect at the pleasure of the Board of Directors;

RESOLVED FURTHER, that Mr. Mustard, in his capacity as President, Chief Executive Officer and Treasurer, is hereby authorized to give notice to any bank or savings institution with which the Company maintains an account or accounts of the changes in the list of authorized signatories for the transaction of business in connection with any or all of the accounts of the Company maintained at such bank or savings institution.

**6. Enabling Resolutions**

RESOLVED FURTHER, that each of the officers of the Company and any person or persons designated and authorized to act by any such officer are hereby separately and severally authorized, empowered and directed to do and perform or cause to be done and performed, in the name and on behalf of the Company, all other acts, to pay or cause to be paid, on behalf of the Company, all related costs and expenses and to deliver or cause to be executed and delivered, such other notices, requests, demands, directions, consents, approvals, orders, applications, agreements, instruments, certificates, letters, undertakings, supplements, amendments, further assurances or other communications of any kind, under the corporate seal of the Company, on behalf of the Company or otherwise and in the name of the Company or otherwise, as such officer or person may deem necessary, advisable or appropriate to effect the intent of the foregoing resolutions;

RESOLVED FURTHER, that the authority and power given hereunder be deemed retroactive and any and all actions previously taken by any officer or director of the Company in connection with the actions contemplated by these resolutions are hereby adopted, ratified, confirmed and approved in all respects; and

RESOLVED FURTHER, that the Secretary of the Company be, and hereby is, authorized and empowered to certify to the passage of these resolutions under the seal of the Company or otherwise.