

APPENDIX

The following definitions shall be in effect under the Agreement:

- A. Agreement shall mean this Stock Purchase Agreement.
- B. Board shall mean the Corporation's Board of Directors.
- C. Code shall mean the Internal Revenue Code of 1986, as amended.
- D. Common Stock shall mean the Corporation's common stock.
- E. Corporate Transaction shall mean either of the following shareholder-approved transactions to which the Corporation is a party:
 - (i) a merger or consolidation in which securities possessing more than fifty percent (50%) of the total combined voting power of the Corporation's outstanding securities are transferred to a person or persons different from the persons holding those securities immediately prior to such transaction, or
 - (ii) the sale, transfer or other disposition of all or substantially all of the Corporation's assets, or the complete liquidation or dissolution of the Corporation.
- F. Corporation shall mean The Canopy Group, Inc., a Utah corporation.
- G. Disposition Notice shall have the meaning assigned to such term in Paragraph D.2.
- H. Exercise Notice shall have the meaning assigned to such term in Paragraph D.3.
- I. Exercise Price shall have the meaning assigned to such term in Paragraph A.1.
- J. Fair Market Value per share of Common Stock on any relevant date shall be determined in accordance with the following provisions:
 - (i) If the Common Stock is at the time traded on the Nasdaq National Market, then the Fair Market Value shall be the closing selling price per share of Common Stock on the date in question, as the price is reported by the National Association of Securities Dealers on the Nasdaq National Market or any successor system. If there is no closing selling price for the Common Stock on the date in question, then the Fair Market Value shall be the closing selling price on the last preceding date for which such quotation exists.
 - (ii) If the Common Stock is at the time listed on any Stock Exchange, then the Fair Market Value shall be the closing selling price per share of Common Stock on the date in question on the Stock Exchange determined by the Plan Administrator to be the primary market for the Common Stock, as such price is officially quoted in the composite tape of transactions on such exchange. If there is no closing selling price for the Common Stock on the date in question,

then the Fair Market Value shall be the closing selling price on the last preceding date for which such quotation exists.

(iii) If the Common Stock is at the time neither listed on any Stock Exchange nor traded on the Nasdaq National Market, then the Fair Market Value shall be determined by the Plan Administrator after taking into account such factors as the Plan Administrator shall deem appropriate.

(1) For purposes of Tax Protection Payments and Resale Rights, the Fair Market Value per share shall be determined in good faith by the Plan Administrator based upon the most recent annual appraisal immediately preceding the effective date of the relevant transaction. The Plan Administrator shall generally obtain an annual appraisal as of each December 31, but may obtain the annual appraisal as of any other date, and may obtain appraisals more frequently, but not less frequently, than once per year. The values based on the appraisal shall be updated to the last day of the month immediately preceding the month in which the relevant transaction occurs to reflect the month-end value of all publicly traded securities held by the Corporation.

(2) For purposes of the Tax Protection Payments applicable to the Class A Shares, the Fair Market Value per share shall be equal to 105% of the Fair Market Value of the Class B Shares.

K. First Refusal Right shall mean the right granted to the Corporation in accordance with Article D.

L. Grant Date shall have the meaning assigned to such term in Paragraph A.1.

M. Grant Notice shall mean the Notice of Grant of Stock Option pursuant to which Optionee has been informed of the basic terms of the Option.

N. Market Stand-Off shall mean the market stand-off restriction specified in Paragraph C.3.

O. 1933 Act shall mean the Securities Act of 1933, as amended.

P. Non-Statutory Option shall mean an option not intended to satisfy the requirements of Code Section 422.

Q. Option shall have the meaning assigned to such term in Paragraph A.1.

R. Option Agreement shall mean all agreements and other documents evidencing the Option.

S. Optionee shall mean the person to whom the Option is granted under the Plan.

T. Owner shall mean Optionee and all subsequent holders of the Purchased Shares who derive their chain of ownership through a Permitted Transfer from Optionee.

U. Parent shall mean any corporation (other than the Corporation) in an unbroken chain of corporations ending with the Corporation, provided each corporation in the unbroken chain (other than the Corporation) owns, at the time of the determination, stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

V. Permitted Transfer shall mean (i) a gratuitous transfer of the Purchased Shares, provided and only if Optionee obtains the Corporation's prior written consent to such transfer, (ii) a transfer of title to the Purchased Shares effected pursuant to Optionee's will or the laws of intestate succession following Optionee's death or (iii) a transfer to the Corporation in pledge as security for any purchase-money indebtedness incurred by Optionee in connection with the acquisition of the Purchased Shares.

W. Plan shall mean the Corporation's 2000 Stock Option Plan.

X. Plan Administrator shall mean either the Board or a committee of Board members, to the extent the committee is at the time responsible for administration of the Plan.

Y. Purchased Shares shall have the meaning assigned to such term in Paragraph A.1.

Z. Recapitalization shall mean any stock split, stock dividend, recapitalization, combination of shares, exchange of shares or other change affecting the Corporation's outstanding Common Stock as a class without the Corporation's receipt of consideration.

AA. Reorganization shall mean any of the following transactions:

(i) a merger or consolidation in which the Corporation is not the surviving entity,

(ii) a sale, transfer or other disposition of all or substantially all of the Corporation's assets,

(iii) a reverse merger in which the Corporation is the surviving entity but in which the Corporation's outstanding voting securities are transferred in whole or in part to a person or persons different from the persons holding those securities immediately prior to the merger, or

(iv) any transaction effected primarily to change the state in which the Corporation is incorporated or to create a holding company structure.

BB. Repurchase Right shall mean the right granted to the Corporation in accordance with Article E.

CC. SEC shall mean the Securities and Exchange Commission.

DD. Service shall mean the provision of services to the Corporation (or any Parent or Subsidiary) by a person in the capacity of an employee, subject to the control and direction of the

employer entity as to both the work to be performed and the manner and method of performance, a non-employee member of the board of directors or a consultant.

EE. Subsidiary shall mean any corporation (other than the Corporation) in an unbroken chain of corporations beginning with the Corporation, provided each corporation (other than the last corporation) in the unbroken chain owns, at the time of the determination, stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

FF. Target Shares shall have the meaning assigned to such term in Paragraph D.2.

GG. Vesting Schedule shall mean the vesting schedule specified in the Grant Notice.