

# **Big 5 Sporting Goods Corporation**

## **Non-Management Director Stock Ownership Guidelines**

(Adopted April 28, 2016)

The Board of Directors of Big 5 Sporting Goods Corporation (the “Company”) believes that non-management directors should have a meaningful ownership stake in the Company. This helps underscore the importance of aligning their interest with the long-term interests of the Company’s stockholders. Therefore, the Board of Directors has adopted formal stock ownership guidelines for non-management directors listed below.

Non-management directors are expected to maintain stock ownership in the Company with a value equal to three (3) times the annual cash retainer paid to non-management directors.

Directors have five years from the time of adoption of these guidelines (or if later, the time the director is elected or appointed), as the case may be, to achieve the ownership level required by these guidelines. Once a director has achieved the requisite level, ownership of the guideline amount must be maintained for as long as the director is subject to these guidelines. In the event a director’s holdings fall below the guideline amount, the director will not be required to purchase additional shares to meet the guideline amount, but such director will be prohibited from selling or transferring any shares until the ownership level required by these guidelines has been re-achieved.

For purposes of determining stock ownership levels, the following forms of equity interests in the Company are included:

- Shares owned outright; and
- Vested restricted stock and restricted stock units.

All securities owned by the director and his or her immediate family members residing in the same household (and trusts for their benefit) will count towards satisfaction of the requirement.

Stock ownership levels will be calculated and reviewed annually at the end of each calendar year, and each director will be notified on an annual basis of their progress toward achieving ownership of the guideline amount. The value of a director’s stock ownership requirement will be based on his or her then current annual cash retainer and the value of the director’s holdings will be based on the average closing price of a share of the company’s stock for the previous calendar year.

The Compensation Committee will evaluate whether exceptions should be made for any director who, due to his or her unique financial circumstances, would incur a hardship by complying with these guidelines.