

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): September 2, 2020



Daktronics, Inc.
(Exact Name of Registrant as Specified in Charter)

South Dakota
(State or Other Jurisdiction of
Incorporation)

0-23246
(Commission
File Number)

46-0306862
(I.R.S. Employer
Identification No.)

201 Daktronics Drive
Brookings, SD 57006
(Address of Principal Executive Offices, and Zip Code)

(605) 692-0200
(Registrant's Telephone Number, Including Area Code)

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, No Par Value	DAKT	NASDAQ Global Select Market
Preferred Stock Purchase Rights	DAKT	NASDAQ Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Section 5 - Corporate Governance and Management

ITEM 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

(e) The Daktronics, Inc. 2020 Stock Incentive Plan (the "2020 Plan"), was adopted by the Board of Directors of Daktronics, Inc. (the "Company") on June 1, 2020 and approved by the Company's shareholders at the annual meeting of shareholders for fiscal 2020 on September 2, 2020 (the "2020 Annual Meeting"). This summary is not intended to be a complete description of all provisions of the 2020 Plan, and it is qualified by reference to the copy of the 2020 Plan filed as Exhibit A to the Company's proxy statement for the 2020 Annual Meeting.

Purpose. The purpose of the 2020 Plan is to attract and retain executives, employees, board members and consultants and enable such individuals to participate in the long-term success and growth of the Company by giving them a proprietary interest in the Company.

Forms of Awards. The 2020 Plan provides for the grant of incentive stock options, non-qualified stock options, restricted stock, restricted stock units and deferred stock. These awards are described below.

Plan Participants. The Company's officers, other employees, members of its Board of Directors, and its consultants, in each case, who are responsible for or who contribute to the management, growth and/or profitability of the Company's business are eligible to be granted awards under the 2020 Plan.

Share Reserve Limit and Counting. Under the 2020 Plan, 3,500,000 shares of the Company's common stock have been reserved for issuance, and all such shares consist of authorized and unissued shares of stock.

If any shares of the Company's common stock become available as a result of canceled, unexercised, lapsed or terminated awards under the 2020 Plan, then these shares will again be available for grant of future awards. However, upon a stock-for-stock exercise of an award that involves the withholding of shares of the Company's common stock for the payment of the exercise price or taxes with respect to an award, the shares of common stock used to pay the exercise price or otherwise withheld shall not become available for future distribution under the 2020 Plan. Each share of stock subject to awards granted under the 2020 Plan is counted as one share for purposes of determining the number of shares available under the 2020 Plan.

Adjustments Upon a Recapitalization or Similar Event. If the Company engages in or is involved in a stock dividend, stock split, reverse stock split, reclassification, combination, exchange of shares or other similar recapitalization of its common stock, there will be an appropriate adjustment made, without the consent of any award recipient, to the number and kind of shares of the Company's common stock subject to and reserved under the 2020 Plan, including any limits on shares established under the 2020 Plan, the exercise or purchase price of each share subject to an award and any other affected terms of such awards.

Administration of the 2020 Plan. The 2020 Plan will be administered by the Company's Board of Directors through the Company's Compensation Committee, which currently consists of three independent directors (as "independent" is defined under applicable rules of the Securities and Exchange Commission and The NASDAQ Stock Market).

The Compensation Committee has the power to, among other things, select the recipients to whom awards may be granted under the 2020 Plan, determine the terms of the awards, including the number of shares subject to each award, the vesting, exercisability, forfeiture provisions, performance goals and periods and other terms and conditions of the awards and the amount and form of consideration payable upon exercise, grant or settlement.

The Compensation Committee also has the power to interpret and otherwise administer the 2020 Plan. The Compensation Committee may delegate the authority to choose recipients and determine the terms of the awards to executive officers of the Company under the conditions set forth in the 2020 Plan.

Change in Control. Upon the occurrence of a "Change in Control Termination" (as that term is defined in the 2020 Plan), except as otherwise provided in an award agreement, all outstanding awards granted to an award recipient that have not yet vested will immediately vest, all restrictions on awards will immediately lapse and each outstanding option and stock appreciation right will become fully and immediately exercisable.

Unless provided otherwise in an award agreement, to the extent the acceleration of exercisability or vesting of an award or a cash payment for such award, together with any other payments, could result in excise tax liability under Sections 4999 and 280G of

the Internal Revenue Code of 1986, such acceleration or cash payment will be reduced until no portion of such acceleration or cash payment would be subject to such excise tax liability.

Descriptions of Types of Awards. The 2020 Plan provides for the grant of the following types of awards:

- **Stock Options.** The 2020 Plan provides for the grant of incentive stock options to the Company's employees and non-qualified stock options to employees, directors and consultants. Options may be granted with terms determined by the Compensation Committee except that the exercise price of all stock options, whether incentive stock options or nonqualified options, may not be less than 100% (or 110% with respect to incentive stock options granted to 10% shareholders) of the fair market value of the Company's common stock as of the date of grant. In addition, unless the Compensation Committee determines otherwise, an option will become exercisable in equal installments of 20% of the shares subject to the option on each anniversary of the grant date until fully exercisable and will have a ten-year term (or no more than a ten-year term with respect to incentive stock options granted to 10% shareholders).
- **Restricted Stock.** With respect to restricted stock, recipients may be conferred all of the rights of a shareholder with respect to such stock, unless an award agreement provides otherwise. Restricted stock will be forfeited to the Company if the recipient ceases to be employed by the Company or to provide services to the Company. Restricted stock may be subject to vesting over time or upon achievement of performance goals. Unless the Compensation Committee determines otherwise, a restricted stock award will vest one year from the date the award is granted.
- **Restricted Stock Units.** Restricted stock units are awards of units, each representing one share of the Company's common stock, and these units are subject to vesting conditions based on a vesting schedule and/or performance criteria established by the Compensation Committee. Restricted stock units will be settled in shares of the Company's common stock, but unlike restricted stock, these shares would not be issued until the restricted stock units have vested. Unless the Compensation Committee determines otherwise, a restricted stock unit will vest one year from the date of its grant.
- **Deferred Stock.** Deferred stock awards are awards of the right to receive shares of the Company's common stock at the end of a specified deferral period or upon the achievement of specified performance criteria. Unless the Compensation Committee determines otherwise, the deferral period for a deferred stock award is one year from the date the award is granted.

Termination of Employment or Service. Unless an award agreement or the Compensation Committee provides otherwise, upon a termination of employment or service (i) by reason of death or disability, an option (to the extent then vested) will become exercisable for one year after such death or disability or until the expiration of the option term, whichever is shorter; and (ii) for any other reason, an option will be exercisable (to the extent then vested) for three months after such termination or until the expiration of the option term, whichever is shorter. All options that are not vested at the time of such termination of employment or service will terminate at such time. Unless an award agreement provides otherwise, unvested restricted stock, restricted stock units and deferred stock awards will generally be forfeited upon the termination of employment or service for any reason.

Amendment and Termination. The Company's Board of Directors may amend, alter or discontinue the 2020 Plan, but no amendment, alteration or discontinuation will be made that would impair the rights of a recipient of an award without the recipient's consent. In addition, the Board will obtain approval of the Company's shareholders of any amendment, alteration or discontinuation to the extent required by applicable law or exchange rules. The Compensation Committee may amend the terms of any outstanding awards, prospectively or retroactively; however, except with respect to amendments related to changes in capitalization or a "Change in Control" (as that term is defined in the 2020 Plan), no amendment will impair the rights of any recipient without his, her or its consent. In addition, neither the 2020 Plan nor any outstanding option may be amended to decrease the exercise price of such award unless first approved by the requisite vote of the Company's shareholders. Moreover, neither the 2020 Plan nor any outstanding award made under the 2020 Plan may be amended in a way that could cause an outstanding award to become subject to the tax imposed by Section 409A of the Internal Revenue Code (regarding non-qualified deferred compensation).

Plan Term. The 2020 Plan became effective upon its approval by the company's shareholders on September 2, 2020, and it will terminate ten years after its effective date.

ITEM 5.07 Submission of Matters to a Vote of Security Holders

- (a) On September 2, 2020, the Company held its Annual Meeting of Shareholders for fiscal 2020 ("2020 Annual Meeting"). Of the 44,615,325 shares of the Company's common stock outstanding and entitled to vote at the 2020 Annual Meeting, 40,565,394 shares, or 90.92 percent, which constituted a quorum, were represented at the 2020 Annual Meeting.

(b) The results of the votes on the proposals at the 2020 Annual Meeting were as follows.

Proposal 1. **Election of Directors.** The following individuals were elected as directors by the following vote, each to serve a three-year term that expires on the date of the Annual Meeting of Shareholders in 2023 or until his or her successor is duly elected:

Director Nominee	Number of Shares Voted		Broker Non-Votes
	For	Withheld	
Robert G. Dutcher	13,759,676	16,641,995	10,163,723
Dr. José-Marie Griffiths	29,931,296	470,375	10,163,723

Proposal 2. **Advisory (non-binding) approval of the Company's executive compensation.** The shareholders approved the compensation of the Company's executive officers as described in its proxy statement for the 2020 Annual Meeting by the following advisory vote:

Number of Shares Voted			Broker Non-Votes
For	Against	Abstain	
28,602,210	1,378,256	421,205	10,163,723

Proposal 3. **Ratification of Appointment of Independent Registered Public Accounting Firm.** The appointment of Deloitte & Touche, LLP as the Company's independent registered public accounting firm for fiscal 2021 was ratified by the following vote:

Number of Shares Voted			Broker Non-Votes
For	Against	Abstain	
40,178,999	241,605	144,790	—

Proposal 4. **Approval of the Daktronics, Inc. 2020 Stock Incentive Plan and 3,500,000 shares as available for issuance.** The approval of the 2020 Plan and the 3,500,000 shares available for issuance was approved by the following vote:

Number of Shares Voted			Broker Non-Votes
For	Against	Abstain	
28,927,160	1,253,976	220,535	10,163,723

ITEM 9.01 Financial Statements and Exhibits

(d) Exhibits. The exhibits identified in the attached Exhibit Index are filed as part of this Current Report on Form 8-K.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

DAKTRONICS, INC.

By: /s/ Sheila M. Anderson

Sheila M. Anderson, Chief Financial Officer

September 3, 2020

EXHIBIT INDEX

Exhibit No.	Description
<u>10.1</u>	<u>Daktronics Inc. 2020 Stock Incentive Plan (incorporated by reference to Exhibit A to the Company's Definitive Proxy Statement on Schedule 14A filed with the Securities and Exchange Commission on July 16, 2020).</u>
<u>10.2</u>	<u>Form of Restricted Stock Award Agreement under the 2020 Plan.</u>
<u>10.3</u>	<u>Form of Non-Qualified Stock Option Agreement Terms and Conditions under the 2020 Plan.</u>
<u>10.4</u>	<u>Form of Incentive Stock Option Terms and Conditions under the 2020 Plan.</u>
<u>10.5</u>	<u>Form of Restricted Stock Unit Terms and Conditions under the 2020 Plan.</u>

DAKTRONICS, INC.
2020 STOCK INCENTIVE PLAN
RESTRICTED STOCK AWARD AGREEMENT

THIS RESTRICTED STOCK AWARD AGREEMENT (the "*Agreement*"), dated as of %%AWARD_DATE,'DD-Month-YYYY'%%-%% (the "*Date of Grant*"), is made by and between Daktronics, Inc., a South Dakota corporation (the "*Company*"), and %%FIRST_NAME%%-%% %%MIDDLE_NAME%%-%% %%LAST_NAME%%-%% (the "*Recipient*").

WHEREAS, the Company has adopted the Daktronics, Inc. 2020 Stock Incentive Plan (the "*Plan*"), pursuant to which the Company may grant "*Restricted Stock*," as defined in the Plan; and

WHEREAS, the Company desires to grant to the Recipient the number of shares of Restricted Stock provided for herein.

NOW, THEREFORE, in consideration of the recitals and the mutual agreements herein contained, the parties hereto agree as follows:

Section 1. Grant of Restricted Stock Award

(a) *Grant of Restricted Stock Award.* The Company hereby grants to the Recipient %%TOTAL_SHARES_GRANTED,999,999,999'%%-%% shares of Restricted Stock (the "*Award*") on the terms and conditions set forth in this Agreement and as otherwise provided in the Plan.

(b) *Incorporation of Plan.* The provisions of the Plan are hereby incorporated herein by reference. Except as otherwise expressly set forth herein, this Agreement shall be construed in accordance with the provisions of the Plan. Any capitalized terms not otherwise defined in this Agreement shall have the definitions set forth in the Plan. The Committee shall have final authority to interpret and construe the Plan and this Agreement and to make any and all determinations thereunder, and its decision shall be binding and conclusive upon all persons, including the Company and the Recipient, in respect of any questions arising under the Plan or this Agreement. To the extent any provision in this Agreement is inconsistent with any provision of the Plan, the Plan shall govern.

Section 2. Terms and Conditions of Award

(a) *Restrictions.* The shares of Restricted Stock granted hereunder and any interest therein may not be sold, assigned, transferred, pledged or otherwise encumbered, except by will or the laws of descent and distribution, during the period from the Date of Grant until the outstanding restrictions on such shares lapse as set forth in Sections 2(d) and (f) (the "*Restricted Period*"). Any attempt to dispose of any Restricted Stock in contravention of the above restriction shall be null and void and without effect.

(b) *Certificate; Restrictive Legend.* Any certificate issued for Restricted Stock prior to the lapse of any outstanding restrictions relating thereto shall be inscribed with the following legend:

The transferability of this certificate and the shares of Stock represented hereby are subject to the terms and conditions (including forfeiture) of the Daktronics, Inc. 2020 Stock Incentive Plan and an Agreement governing the grant of Restricted Stock. Copies of such Plan and Agreement are on file in the offices of Daktronics, Inc. Certificate(s) evidencing the Restricted Stock granted hereunder shall be held in the Company's custody until all restrictions thereon have lapsed. As a condition of this Award, the Recipient shall have delivered a stock power, endorsed in blank, relating to the Stock covered by this Award.

(c) *Ownership of Shares.* Subject to the restrictions set forth in the Plan and this Agreement, during the Restricted Period, the Recipient shall have, with respect to the shares of Restricted Stock granted hereunder, all of the rights of a shareholder of the Company, including the right to vote such shares and the right to receive any cash dividends.

(d) *Lapse of Restrictions.* Except as may otherwise be provided herein, the restrictions on transfer set forth in Section 2(a) shall lapse as to all shares of Restricted Stock subject to the Award on the first anniversary of

the Date of Grant; provided that the Recipient has continuously provided service as a Director to the Company beginning on the Date of Grant and ending on the first anniversary of the Date of Grant.

The Committee may, in its discretion, waive, in whole or in part, any or all restrictions with respect to the Restricted Stock if it finds such waiver would be in the Company's best interest.

Upon the lapse of restrictions relating to Restricted Stock, the Company shall promptly deliver to the Recipient or his/her personal representative a stock certificate representing a number of shares of Stock, free of the restrictive legend described in Section 2(b), equal to the number of shares of Restricted Stock with respect to which such restrictions have lapsed.

(e) *Termination of Employment or Service.* If the Recipient's service with the Company terminates for any reason other than a Change in Control Termination prior to the lapsing of restrictions with respect to any portion of the Restricted Stock granted hereunder, such portion of the Restricted Stock held by the Recipient shall be automatically forfeited by the Recipient as of the date of termination, without payment therefor.

(f) *Change in Control Termination.* Upon the occurrence of a Change in Control Termination, all restrictions on any portion of the Award shall immediately lapse.

(g) *Tax Withholding.* No later than the date on which any part of the Award first becomes includable as income to the Recipient for income tax purposes (or in connection with this grant, if the Recipient makes an election under Section 83(b) of the Code), the Recipient shall pay to the Company, or make arrangements satisfactory to the Committee to pay, any federal, state or local taxes that the law requires the Company to withhold with respect to the Award. The Company's obligations under the Plan are conditional on such payment or arrangements and, to the extent permitted by law, the Company, any Parent Corporation and any Subsidiary may deduct such taxes from any payment of any kind otherwise due to the Recipient. Subject to applicable law and such requirements as the Committee imposes, the Recipient may elect, by written notice to the Company, to satisfy part or all of the Company's withholding obligations by (i) authorizing the Company to retain Stock to which the Recipient is otherwise entitled under the Plan or (ii) delivering Stock that the Recipient already owns; provided, however, that such Stock may be used to satisfy not more than the Company's minimum statutory withholding obligation (based on minimum statutory withholding rates for federal and state tax purposes, including payroll taxes).

(h) *Investment Intent.* Prior to the issuance and delivery to the Recipient of shares of Stock subject to the Award, the Recipient shall, if required by the Committee, demonstrate an intent to hold the shares of Stock acquired subject to the Award for investment and not with a view to resell or distribute such shares to the public, by delivering to the Company an investment certificate or letter in such form as the Committee may require.

(i) *Stop Transfer Order.* All certificates for Stock delivered under the Plan shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the rules, regulations and other requirements of the Securities and Exchange Commission, any stock exchange upon which the Stock may then be listed, and any applicable federal or state securities law, and the Committee may cause a legend or legends to be placed on any such certificates to make appropriate reference to such restrictions.

Section 3. Miscellaneous

(a) *Notices.* Unless otherwise determined by the Committee, any and all notices, designations, consents, offers, acceptances and any other communications provided for herein shall be given in writing and shall be delivered either personally or by registered or certified mail, postage prepaid, which shall be addressed, in the case of the Company to the Chief Financial Officer at the principal office of the Company and, in the case of the Recipient, to Recipient's address appearing on the books of the Company or to Recipient's residence or to such other address as may be designated in writing by the Recipient.

(b) *Compliance with Laws.* No shares of Stock will be issued under the Plan unless the issuance complies with all applicable provisions of law, including, without limitation, those relating to securities laws and stock exchange listing requirements.

(c) *No Right to Continued Service.* Nothing in the Plan or in this Agreement shall confer upon the Recipient any right to continued service or contract with the Company, any Parent Corporation or any Subsidiary or shall interfere with or restrict in any way the right of the Company, any Parent Corporation or any Subsidiary, which

are hereby expressly reserved, to remove, terminate or discharge the Recipient at any time for any reason whatsoever, with or without Cause.

(d) *Bound by Plan.* By signing this Agreement, the Recipient acknowledges that he/she has received a copy of the Plan, has had an opportunity to review the Plan and agrees to be bound by all the terms and provisions of the Plan.

(e) *Successors.* The terms of this Agreement shall be binding upon and inure to the benefit of the Company, its successors and assigns, and of the Recipient and the beneficiaries, executors, administrators, heirs and successors of the Recipient.

(f) *Validity/Invalidity.* The invalidity or unenforceability of any particular provision hereof shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision had been omitted.

(g) *Modifications.* No change, modification or waiver of any provision of this Agreement shall be valid unless the same is in writing and signed by the parties hereto.

(h) *Entire Agreement.* This Agreement and the Plan contain the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein and therein and supersede all prior communications, representations and negotiations in respect thereto.

(i) *Governing Law.* This Agreement and the rights of the Recipient hereunder shall be construed and determined in accordance with the laws of the State of South Dakota, without regard to the conflicts of law provisions thereof.

(j) *Headings.* The headings of the Sections hereof are provided for convenience only and are not to serve as a basis for interpretation or construction, and shall not constitute a part, of this Agreement.

(k) *Counterparts.* This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

By the Recipient's signature and the signature of the Company's representative below, or by the Recipient's acceptance of this Award through the Company's online acceptance procedure, this Agreement shall be deemed to have been executed and delivered by the parties hereto as of %%AWARD_DATE,'DD Month YYYY'%%-%%.

DAKTRONICS, INC.

By: /s/ Reece A. Kurtenbach
 Reece A. Kurtenbach
 Its: Chairman of the Board, President & CEO

RECIPIENT

Signature: _____
 Printed Name: %%FIRST_NAME%%-%% %%MIDDLE_NAME%%-%%
%%LAST_NAME%%-%%

DAKTRONICS, INC.
2020 STOCK INCENTIVE PLAN
NON-QUALIFIED STOCK OPTION TERMS AND CONDITIONS

1. *Grant of Option.* The Options evidenced by the Daktronics Inc. Grant Agreement (the "Agreement") to which these Terms and Conditions are attached are granted by Daktronics, Inc. (the "Company") to the Recipient under the Daktronics, Inc. 2020 Stock Incentive Plan (the "Plan") (a copy of which has been provided to you), these Terms and Conditions, and the Agreement. The Plan is in all respects controlling except where expressly supplemented in these Terms and Conditions or the Agreement.
2. *Incorporation of Plan.* The provisions of the Plan are hereby incorporated herein by reference. Except as otherwise expressly set forth herein, these Terms and Conditions and the Agreement shall be construed in accordance with the provisions of the Plan. Any capitalized terms not otherwise defined in these Terms and Conditions and the Agreement shall have the definitions set forth in the Plan. The Committee shall have final authority to interpret and construe the Plan, the Agreement and these Terms and Conditions and to make any and all determinations thereunder, and its decision shall be binding and conclusive upon all persons, including the Company and the Recipient, in respect of any questions arising under the Plan, the Agreement, or these Terms and Conditions. To the extent any provision in the Agreement or these Terms and Conditions is inconsistent with any provision of the Plan, the Plan shall govern.
3. *Method of Exercise.* The Option may be exercised in whole or in part by giving notice to the Company in such form as the Company may adopt from time to time. Such notice shall specify the number of shares of Stock subject to the Option being purchased and shall be accompanied by payment in full therefor. The total exercise price of the Option shall be paid to the Company by (i) cash, (ii) certified or bank check, (iii) to the extent permitted by law, promissory note, (iv) to the extent permitted by law, by delivering irrevocable instructions to a broker acceptable to the Company to promptly deliver to the Company sale or loan proceeds to pay the exercise price, or (v) by tendering to the Company (by actual delivery of Stock or attestation) shares of Stock that have been held by the Recipient for a minimum holding period determined by the Company, the Fair Market Value of which is equal to the total Exercise Price.
4. *Exercise Following Termination of Employment or Service.* If the Recipient's employment or service with the Company, any Parent Corporation or any Subsidiary terminates:
 - (a) if the termination of employment or service is due to the Recipient's death or Disability, the Option shall thereafter be exercised, to the extent it was exercisable at the time of the Recipient's death or Disability, by the Recipient, the legal representative of the Recipient's estate, or the legatee under the Recipient's will, but it may not be exercised after one year from the date of such death or Disability or the expiration of the stated term of the Option, whichever period is shorter, and the portions of all Options that are not vested at the time of such death or Disability shall automatically terminate at such time; and
 - (b) if the termination of employment or service is for any reason other than death, Disability or a Change in Control Termination, the vested portions of the Option shall be exercisable for three months from the date of such termination or the expiration of the stated term of the Option, whichever period is shorter, and the unvested portions of the Option shall terminate upon such termination of employment or service.

Notwithstanding the foregoing, no provision in this Section 4 shall extend the exercise period of the Option beyond its termination date.

5. *Change in Control Termination.* Upon the occurrence of a Change in Control Termination, any portion of the Option that is then outstanding and not exercisable shall immediately become exercisable.
6. *Nontransferability.* The Recipient may not transfer this Option except by will or the laws of descent and distribution.
7. *Rights as a Shareholder.* The Recipient and his/her legal representative or legatee shall not be deemed for any purpose to be the owner of any shares of Stock subject to the Option and shall not have dividend, voting or other rights of a shareholder with respect to such shares unless, until and to the extent that (i) the Company shall have issued and delivered to the Recipient the shares of Stock for which the Option shall have been exercised, (ii) the

Recipient's name shall have been entered as a shareholder of record on the books of the Company with respect to such shares of Stock, and (iii) if the shares of Stock are in certificate form, the certificates representing the shares have been endorsed, transferred and delivered.

8. *Investment Intent.* Prior to the issuance and delivery to the Recipient of shares of Stock pursuant to the exercise of the Option, the Recipient shall, if required by the Committee, demonstrate an intent to hold the shares of Stock acquired by exercise of the Option for investment and not with a view to resell or distribute such shares to the public by delivering to the Company an investment certificate or letter in such form as the Committee may require.

9. *Stop Transfer Orders.* All certificates for Stock delivered under the Plan shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the rules, regulations and other requirements of the Securities and Exchange Commission, any stock exchange upon which the Stock may then be listed, and any applicable federal or state securities law, and the Committee may cause a legend or legends to be placed on any such certificates to make appropriate reference to such restrictions.

10. *Notices.* Unless otherwise determined by the Committee, any and all notices, designations, consents, offers, acceptances and any other communications provided for herein shall be given in writing and shall be delivered either personally or by registered or certified mail, postage prepaid, which shall be addressed, in the case of the Company, to the Corporate Secretary at the principal office of the Company and, in the case of the Recipient, to the Recipient's address appearing on the books of the Company or to the Recipient's residence or to such other address as may be designated in writing by the Recipient.

11. *Compliance with Laws.* No shares of Stock will be issued under the Plan unless the issuance complies with all applicable provisions of law, including, without limitation, those relating to securities laws and stock exchange listing requirements.

12. *Successors.* These Terms and Conditions shall be binding upon and inure to the benefit of the Company, its successors and assigns, and of the Recipient and the beneficiaries, executors, administrators, heirs and successors of the Recipient.

13. *Validity/Invalidity.* The invalidity or unenforceability of any particular provision hereof shall not affect the other provisions hereof, and these Terms and Conditions shall be construed in all respects as if such invalid or unenforceable provision had been omitted.

14. *Modifications.* No change, modification or waiver of any provision of these Terms and Conditions shall be valid unless the same is in writing and signed by the parties hereto.

15. *Entire Agreement.* The Agreement, these Terms and Conditions, and the Plan contain the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein and therein and supersede all prior communications, representations and negotiations in respect thereto.

INCENTIVE STOCK OPTION TERMS AND CONDITIONS

The Options evidenced by the Daktronics Inc. Grant Agreement (the "Agreement") to which these Terms and Conditions are attached are granted by Daktronics, Inc. (the "Company") to the Recipient under the Daktronics, Inc. 2020 Stock Incentive Plan (the "Plan") (a copy of which has been provided to you), these Terms and Conditions, and the Agreement. The Plan is in all respects controlling except where expressly supplemented in these Terms and Conditions or the Agreement.

In the event of a conflict between the Agreement or these Terms and Conditions and the Plan, the Plan shall control. All capitalized terms used in these Terms and Conditions and the Agreement and not otherwise defined have the meanings assigned to them in the Plan. The Options are intended to be Incentive Stock Options.

1. Option Price. The Option exercise price and dates first exercisable are stated in the Agreement.
 - 1.1. Exercise of the Option During Employment. You may exercise Options to purchase the number of shares of Stock indicated in Column One of the Agreement if you are employed by the Company, any Parent Corporation or any Subsidiary on the date of exercise, and if the date of exercise is between or includes the dates in Column Two and Column Three of the Agreement.
 - 1.2. Exercise of the Options After Employment Termination. If your employment terminates for any reason other than your death or Disability or a Change in Control Termination, the Option may thereafter be exercised by you to the extent it was exercisable at the time of such termination for three months from the date of such termination or the expiration of the stated term of the Option, whichever period is shorter, and the portions of all Options that are not vested at the time of termination shall automatically terminate at such time.
 - 1.3. Exercise of Your Option Upon Death or Disability. If your employment terminates by reason of your death or Disability, the Option may thereafter be exercised to the extent it was exercisable at the time of your death or Disability by you or the legal representative of your estate or by your legatee under your will, but it may not be exercised after one year from the date of such death or Disability or the expiration of the stated term of the Option, whichever period is shorter.
 - 1.4. No Options shall continue to vest after your termination of employment, death or Disability. All Options or portions thereof that are not vested at the time of termination of your employment, whether by death or Disability or otherwise, shall automatically terminate at such time.
2. Method of Exercise. The Option may be exercised in whole or in part by giving notice to the Company in such form as the Company may adopt from time to time. The exercise price of the Option may be paid by methods such as cash, check, cashless exercise or stock swap as described in the Plan. See the Plan for details.
3. Non-transferability of Option. The Option may not be transferred in any manner otherwise than by will or the laws of descent or distribution and may be exercised during your lifetime only by you.
4. Change in Control Termination. Upon the occurrence of a Change in Control Termination, all outstanding Options granted to the Recipient that have not theretofore vested shall immediately vest, any restrictions on such Options shall immediately lapse, and each Option granted to the Recipient that is outstanding at such time shall become fully and immediately exercisable.
5. No Employment Contract. In no event shall these Terms and Conditions or the Agreement confer upon the Recipient any right to be employed by the Company, any Parent Corporation or any Subsidiary, nor shall they interfere with the right of the Company, any Parent Corporation or any Subsidiary to terminate the employment of the Recipient at any time.
6. Amendments. The Committee may amend, alter or discontinue the Plan, but no amendment, alteration, or discontinuation shall be made which would impair the rights of a Recipient under an Award, including this Option, theretofore granted without the Recipient's consent.
7. No Obligation to Exercise. The Recipient (or the Recipient's estate) has no obligation to exercise the Options described in these Terms and Conditions and the Agreement. If the Options are not exercised prior to the Expiration Date, the Options will expire and will no longer be eligible for exercise.
8. Notice of Disqualifying Distribution. The Recipient hereby agrees to notify the Company administrative department, and to disclose the details, of any sale or transfer of shares of Stock acquired upon exercise of any Incentive Stock Option either within two years from the date of grant of the Option or one year from the date of exercise of the Option. Such disclosure and notice is to be provided within one week of such sale or transfer.
9. Compliance with Laws. No shares of Stock will be issued under the Plan unless the issuance complies with all applicable provisions of law, including, without limitation, those relating to securities laws and stock exchange listing requirements.
10. Governing Law. The laws of the State of South Dakota shall govern the Agreement and these Terms and Conditions.

Refer to the Daktronics, Inc. 2020 Stock Incentive Plan for additional information.

RESTRICTED STOCK UNIT TERMS AND CONDITIONS

The Restricted Stock Units evidenced by the Daktronics, Inc. Grant Agreement (the "Agreement") to which these Terms and Conditions are attached are granted by Daktronics, Inc. (the "Company") to the Recipient under the Daktronics, Inc. 2020 Stock Incentive Plan (the "Plan") (a copy of which has been provided to you), these Terms and Conditions, and the Agreement. The Plan is in all respects controlling except where expressly supplemented in these Terms and Conditions or the Agreement.

In the event of a conflict between the Agreement or these Terms and Conditions and the Plan, the Plan shall control. All capitalized terms used in these Terms and Conditions and the Agreement and not otherwise defined have the meanings assigned to them in the Plan.

1. Grant Date for Shares. Subject to any other provisions regarding vesting and the Grant Date indicated in Column Two of the Agreement, the shares of Stock indicated in Column One of the Agreement shall be awarded, provide you have been continuously employed by, or continuously provided services to, the Company, any Parent Corporation or any Subsidiary as of each of the Grant Dates stated in the Agreement.
 - 1.1. Termination of Employment or Service. Unless the Committee determines otherwise, if your employment or service with the Company, any Parent Corporation or any Subsidiary terminates for any reason other than a Change in Control Termination prior to the final Grant Date, all shares of Stock for which a Grant Date has not occurred as of the date of such termination of employment or service shall immediately be forfeited, and you shall have no right to receive such shares of Stock.
2. Rights as a Shareholder. You and your legal representative or legatee shall not be deemed for any purpose to be the owner of any shares of Stock subject to the Restricted Stock Units and shall not have dividend, voting or other rights of a shareholder of the Company with respect to such shares unless, until and to the extent that, (i) the Company shall have issued and delivered to the Recipient the shares of Stock for which a Grant Date has occurred, and (ii) your name shall have been entered as a shareholder of record on the books of the Company with respect to such shares of Stock, and if the shares are in certificate form, the certificates representing such shares have been endorsed, transferred and delivered.
3. Tax Withholding. You may select the tax payment method for the Company to satisfy the minimum obligations with respect to any federal, state or local taxes that the law requires the Company to withhold with respect to the Restricted Stock Units. Tax payment methods can be made through withholding in shares of Stock, withholding in regular payroll, or a cash transfer made through a brokerage account. If you do not elect your tax payment method, the default method will be chosen by the Company in its discretion.
4. Non-transferability. The Restricted Stock Units may not be transferred in any manner.
5. Change in Control Termination. Upon the occurrence of a Change in Control Termination, the Final Grant Date shall occur for all shares of Stock for which a Grant Date had not previously occurred pursuant to Column Two of the Agreement, provided the Recipient has been continuously employed by, or has continuously provided services to, the Company, any Parent Corporation or any Subsidiary from the date of the Award until the date of such Change in Control Termination.
6. No Employment Contract. In no event shall these Terms and Conditions or the Agreement confer upon the Recipient any right to be employed by the Company, any Parent Corporation or any Subsidiary, nor shall they interfere with the right of the Company, any Parent Corporation or any Subsidiary to terminate the employment of the Recipient at any time.
7. Amendments. The Committee may amend, alter or discontinue the Plan, but no amendment, alteration, or discontinuation shall be made which would impair the rights of a Recipient under an Award, including this Restricted Stock Unit, theretofore granted without the Recipient's consent.
8. Stop Transfer Orders. All certificates for Stock delivered under the Plan shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the rules, regulations and other requirements of the Securities and Exchange Commission, any stock exchange upon which the Stock may then be listed, and any applicable federal or state securities law, and the Committee may cause a legend or legends to be placed on any such certificates to make appropriate reference to such restrictions.
9. Compliance with Laws. No shares of Stock will be issued under the Plan unless the issuance complies with all applicable provisions of law, including, without limitation, those relating to securities laws and stock exchange listing requirements.
10. Governing Law. The laws of the State of South Dakota shall govern the Agreement and these Terms and Conditions.

Refer to the Daktronics, Inc. 2020 Stock Incentive Plan for additional information.