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SUMMARY OF AVAILABLE STOCK AND NON-STOCK BASED COMPENSATION PLANS

Customarily, companies provide a broad range of stock based and non-stock based compensation programs to their key employees. In the case of outside directors, compensation is normally restricted to board fees and stock based compensation in the form of non-qualified stock options and, in some cases, restricted stock awards.

The most common forms of stock based compensation are: incentive stock options, non-qualified stock options, stock appreciation rights, restricted stock, performance-oriented stock awards, and deferred compensation stock options. These forms of stock based compensation can be provided in one plan or separately contained in multiple plans.

Stock benefits are also provided by many companies to their employees generally via participation in a tax-qualified employee stock ownership plan ("ESOP") and/or a stock purchase plan. Stock benefits also may be provided through a 401(K) program. An ESOP is a qualified retirement plan whose principal purpose is to invest in employer securities. A stock purchase plan is a mechanism to allow employees, by payroll reduction or withholding, to purchase shares of employer securities. In some cases, the program is combined with a dividend reinvestment plan to permit additional voluntary stock purchases. The plan may also provide that an option may be granted to purchase shares at a discount from its fair market value in addition to any other stock-based compensation described above.

Non-stock based compensation programs (excluding those which provide for current compensation such as incentive compensation arrangements) have historically fallen into the following categories:

1. Non-qualified Benefit Restoration Plan or “ERISA Excess Plan” - provides a form of supplemental retirement benefits to an executive to make up for qualified plan restrictions imposed by the Internal Revenue Code or other provisions of applicable law.

2. Supplemental Executive Retirement Plan ("SERP") - provides salary continuation following early or normal retirement. A number of different benefit formulas are utilized to provide the desired benefit. The value of the benefit customarily increases based upon years of the executive's credited service. For example, the annual lifetime benefit might equal 3% to 4% of the executive's final average compensation (defined as highest three years' annual compensation or last three years' annual compensation) multiplied by the executive's years of credited service. SERPs often provide post-retirement medical benefits for the executive and his spouse.

3. Executive Retired Life Insurance Plan - provides the executive with a portion of a split dollar life insurance policy which is funded by the employer. This type of program is promoted by insurance companies as a means for the employer to provide a death benefit to an executive at a very reasonable cost to the employer.

4. Executive Salary Deferral Plan - provides the executive with a mechanism to defer a portion of his salary for payment at a later date (such as retirement). The plan may also provide for additional payments by the employer in the form of matching contributions or, for example, payments based upon the increase in the market value and/or dividends paid on common stock.

5. Directors Fee Deferral Program - permits directors to defer their fees in a manner similar to that of the Executive Salary Deferral Plan, described above.

6. Management Incentive Plan - is designed to provide bonuses based on performance standards such as: (1) overall corporate profitability measured against an earnings per share objective; (2) personal performance measured against individual performance objectives; (3) improvements in company service; (4) improvement in budget compliance; (5) improvements in productivity; and (6) improvements in returns on shareholders' equity. Typically, the amount of an individual's target bonus under the plan is expressed as percentage of the participant's base salary, and the performance criteria underlying the calculation of the bonus reflect the level of the participant's position and the scope of the individual's responsibility.

It is important to note that the manner in which non-stock based compensation plans may be designed is almost limitless. Therefore, such plans can be designed to address the specific objectives of both the employer and its executives.

Substantially all of the forms of benefits described above are provided to employees, and in most cases, full-time employees and not to outside directors. Customarily, outside directors only receive non-qualified stock options, restricted stock and the right to defer directors fees. Expanding the scope of outside directors' benefits could raise stockholder concerns unless outside directors are regularly involved in the management and operation of the company, for example, by dedicating at least one full day per week to the business and affairs of the company.