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MEMORANDUM

TO: Our Clients and Friends

FROM: Silver, Freedman & Taff, L.L.P.

DATE: December 4, 2006

RE: Highlights and Practical Tips for Complying with the New
Compensation and Related Disclosure Requirements

As you are no doubt aware, the Securities and Exchange Commission recently adopted new rules designed primarily to improve executive and director compensation disclosures and the actions of boards and compensation committees in this regard. New Form 8-K disclosure requirements became effective on November 7, 2006 for certain triggering events while the new compensation and related disclosure requirements apply to Forms 10-K and 10-KSB for fiscal years ending on or after December 15, 2006 and to registration statements and proxy statements filed on or after that date that contain compensation and related disclosures for fiscal years ending on or after that date. The new rules are designed so that all elements of executive and director compensation are disclosed in plain English in a clear and concise manner relying on both narrative and extensive tabular disclosure.

Regulation S-B (small business) filers will not be required to comply with all of the new rules. These filers may exclude the Compensation Discussion and Analysis, or CD&A, and the revised compensation committee report described below. In addition, the only tabular disclosure applicable to these filers consists of (i) the Summary Compensation Table (for two years only and only for the Principal Executive Officer and two most highly compensated officers), (ii) the Outstanding Equity Awards at Fiscal Year End Table and (iii) the Director Compensation Table. Narrative disclosure of material compensation matters, including, for example, the material components of all other compensation (defined as items exceeding \$25,000 or 10% of all items included in the specified category) and a description of post-employment payments and other benefits is required for these issuers.

CD&A and Revised Compensation Committee Report. As a result of the new rules, disclosure controls and procedures must be modified to capture the information required for a new narrative disclosure, the CD&A. The CD&A is similar to Management's Discussion and

Analysis of Financial Condition and Results of Operations, or MD&A. With the substantive disclosure previously required in the compensation committee report now appearing in the CD&A and elsewhere, the revised compensation committee report, similar to the audit committee report, will now simply state that the compensation committee has reviewed the CD&A with management and recommended that the CD&A be included in the Form 10-K or proxy statement. The CEO and CFO certificates filed with the Form 10-Ks and 10-Qs will cover the CD&A disclosures.

The CD&A is to provide a principles-based overview explaining the full range of pay components relating to named executive officer, or NEO, compensation as quantified in the tables discussed below, including the company's compensation policies and the structure of compensation programs. Its purpose is to answer the "who," "what," "why" and "how" of the elements of compensation:

- Who is covered by the company's compensation program?
- What are the objectives and pay elements of the compensation program?
- Why did the company decide to pay each element?
- How does the company determine the amount to pay for each element of compensation (including a description of the role of executive officers and compensation consultants)?

A good CD&A begins with a discussion of the company's executive compensation policies, the structure of compensation programs and overall compensation philosophy. The CD&A should encompass, for example, factors considered in setting the level of compensation, the policies for allocating between cash and non-cash compensation and long-term vs. current compensation, how prior compensation may impact current or future compensation, material differences in compensation for individual NEOs, option grant practices including the timing and pricing of options and other equity awards, the use of employment contracts and severance arrangements, including the reason why particular events were selected for triggering post-termination payments, tax and accounting considerations and whether there was benchmarking of total compensation or any material element of compensation. While the CD&A focuses on the last completed fiscal year, compensation-related actions taken after year-end or in prior years should also be disclosed if needed to provide a "fair understanding" of executive compensation.

Enhanced tabular and narrative disclosure required.

The CD&A explains generally the compensation policies and objectives underlying the information set forth in the following tables and specific narrative disclosures required by the new rules:

- The new rules require that all compensation for the last three fiscal years be shown in the following table, provided that for the first year under the new rules only the last year's information is required and for the second year under the new rules only the last two years' information is required:

SUMMARY COMPENSATION TABLE

Name and Principal Position (a)	Year (b)	Salary (\$) (c)	Bonus (\$) (d)	Stock Awards (\$) (e)	Option Awards (\$) (f)	Non-Equity Incentive Plan Compensation (\$) (g)	Change in Pension Value and Non- qualified Deferred Compensation Earnings (\$) (h)	All Other Compensation (\$) (i)	Total (\$) (j)
PEO									
PFO									
A									
B									
C									

Any amounts earned by a Named Executive Officer, or NEO, for a fiscal year must be reported in the appropriate column whether or not deferred (with deferred amounts generally included in the Nonqualified Deferred Compensation Table described below). A NEO is defined as any person who served during the last fiscal year as the principal executive officer, or PEO, principal financial officer, or PFO, and the three other highest earning executive officers serving at fiscal year-end, based on total compensation for the last completed fiscal year (excluding any above-market earnings on deferred compensation and the actuarial increase in pension benefit accruals), provided that no disclosure is required for any executive officer other than the PEO and PFO whose total compensation, excluding such amounts, did not exceed \$100,000. The NEO group also includes up to two additional individuals who would have been included among the group of three other executive officers but for the fact that the individuals were not serving as executive officers at fiscal year-end. Under the prior rules, NEO status for executive officers other than the CEO was based only on salary and bonus. As a result, for example, a large equity or other incentive plan award may now result in NEO status for an executive officer whose salary and bonus would have been insufficient for NEO status under the prior rules.

A non-performance based bonus (e.g., non-equity guaranteed or discretionary bonus, hiring bonus or relocation bonus) is included in the "bonus" column while the earning of a performance based bonus (one where the outcome of the performance target is substantially uncertain at the time the target is established and the target is communicated to the executive) is included in the "non-equity incentive plan compensation" column. Non-equity incentive plan compensation includes not only earnings for services performed during the covered fiscal year, but also additional earnings during that year on all outstanding awards. All earnings on non-equity incentive plan compensation must be identified and quantified in a footnote to the table, regardless of whether paid out. Stock and option award values are equal to the FAS 123R aggregate grant date fair values, and a footnote to the table must cross-reference the assumptions made in the valuation as disclosed in the company's financial statements or MD&A. Stock appreciation rights are included within option awards. Above-market earnings on deferred compensation are now disclosed in a separate column (with all earnings on deferred compensation plans disclosed in the Nonqualified Deferred Compensation Table described below) along with the aggregate increase in the actuarial present value of accumulated benefits under all defined benefit and actuarial pension plans (including SERPs). The All Other Compensation Column includes all other compensation that does not fit within any of the other columns, including, among other things, perquisites, amounts paid or accrued in connection with retirement, termination of employment or a change in control, tax gross-ups, employer

contributions or allocations to defined contribution plans and the dollar value of any employer-paid life insurance premiums. Any item included as all other compensation with a value of \$10,000 or more must be separately identified and valued in a footnote (except that perquisites must in total be \$10,000 or greater to require inclusion in the table and individually exceed the greater of \$25,000 or 10% of total perquisites to require individual identification and quantification). The value of a perquisite for these purposes is the aggregate incremental cost to the company, and the method used to calculate this value must be disclosed in a footnote to the table.

The SEC guidance as to what constitutes a perquisite requires a two-step analysis. An item is not a perquisite if it is integrally and directly related to the performance of the executive's duties, such as a Blackberry, even if additional cost is involved, such as renting a full size versus compact car or purchasing a more expensive laptop computer. An item not integrally and directly related to the performance of the executive's duties is a perquisite if it confers a direct or indirect benefit that has a personal aspect, even if there is some business purpose or for the convenience of the company, unless the benefit is generally available on a non-discriminatory basis to all employees. Examples of perquisites given by the SEC include country club memberships not used exclusively for business entertainment purposes, personal financial or tax advice, personal use of vehicles or other property financed by the company, housing and other living expenses (including relocation expenses), security provided at a personal residence or during personal travel, and commuting expenses whether or not for the company's convenience or benefit.

- The new rules require disclosure of grants of plan-based awards made in the last fiscal year in the following table:

GRANTS OF PLAN-BASED AWARDS

Name (a)	Grant Date (b)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units (#) (i)	All Other Option Awards: Number of Securities Under- lying Options (#) (j)	Exercise or Base Price of Option Awards (\$/Sh) (k)
		Threshold (\$) (c)	Target (\$) (d)	Maximum (\$) (e)	Threshold (#) (f)	Target (#) (g)	Maximum (#) (h)			
PEO										
PFO										
A										
B										
C										

Disclosure of the material terms and estimated future payouts of all equity and non-equity plan-based awards is required, and each award must be disclosed separately. Grants of performance-based non-equity incentive bonus awards are disclosed in this table while the earning of such awards by the NEO (i.e. the satisfaction of the performance criteria) will be disclosed in the Summary Compensation Table under the Non-Equity Incentive Plan Compensation column. With respect to incentive awards, "threshold" means the minimum amount payable, "target" means the amount payable if the specified performance targets are reached and maximum refers to the maximum payout possible. Narrative disclosure of the material terms of NEO employment agreements, vesting schedules of plan-based awards,

performance criteria for incentive plan awards (provided that target levels need not be disclosed where competitive harm to the company would result) and other compensation arrangements providing specific context to the amounts disclosed should follow this table.

- The new rules require disclosure of outstanding equity awards at fiscal year-end as follows:

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

Name (a)	Option Awards					Stock Awards			
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)
PEO									
PFO									
A									
B									
C									

All awards must be disclosed on a grant by grant basis, rather than in total (awards having the same exercise price and expiration date may be combined), including “out-of-the-money” options. Vesting schedules must be disclosed by footnote. Options or stock awarded under an equity incentive plan are reported in columns (d), (i) or (j) until the relevant performance criteria is satisfied; thereafter, even if the award is subject to forfeiture, it is reported under column (b) or (c), in the case of options, until it is exercised or expires, or column (g) or (h), in the case of stock, until it vests.

- The new rules require a table showing the value realized upon exercise of stock options and vesting of stock awards during the last fiscal year as follows:

OPTION EXERCISES AND STOCK VESTED

Name (a)	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
PEO				
PFO				
A				
B				
C				

- The new rules require disclosure of pension benefits as follows:

PENSION BENEFITS

Name (a)	Plan Name (b)	Number of Years Credited Service (#) (c)	Present Value of Accumulated Benefit (\$) (d)	Payments During Last Fiscal Year (\$) (e)
-------------	------------------	--	--	---

PEO
PFO
A
B
C

Disclosure is now provided of the actuarial present value of the NEO's accumulated benefit under a qualified or nonqualified defined benefit pension plan (non-qualified defined contribution plans are disclosed in the Non-Qualified Deferred Compensation table described below) as of the end of the most recent fiscal year (whether or not a lump sum benefit is available under the plan), assuming retirement at normal retirement age and no increase in compensation. If a NEO's years of credited service exceed actual years of service, footnote explanation is required. Payments actually made under a plan are also included here and not in the Summary Compensation Table. As discussed above, however, the increase in value of the accumulated benefit during the last fiscal year is disclosed in the Summary Compensation Table. Narrative disclosure of the material terms of each plan and any NEO eligible for early retirement under a plan must follow this table.

- The new rules require disclosure of nonqualified deferred compensation as follows:

NONQUALIFIED DEFERRED COMPENSATION

Name (a)	Executive Contributions in Last FY (\$) (b)	Registrant Contributions in Last FY (\$) (c)	Aggregate Earnings in Last FY (\$) (d)	Aggregate Withdrawals/ Distributions (\$) (e)	Aggregate Balance at Last FYE (\$) (f)
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PEO
PFO
A
B
C

All contributions, earnings, withdrawals and balances related to all non-qualified defined contribution plans must be disclosed. Payments of deferred compensation are now made here, not in the Summary Compensation Table. (Footnote disclosure of amounts previously reported as compensation in the Summary Compensation Table must be provided.) All earnings on deferred compensation, whether or not above market, are disclosed here. Narrative disclosure of the material terms of each plan must follow this table.

- Potential payments upon termination or change in control. A narrative description of all material terms of severance and change in control arrangements with NEOs is required, including the circumstances triggering payment, estimated payments and benefits (assuming the triggering event occurred on the last day of the last completed fiscal year) including tax gross-ups, health benefits and perquisites of \$10,000 or more in the aggregate, how the amount of benefits is determined and the timing and manner of

payment, and any material conditions or obligations to receipt of payment (for example, non-compete, non-solicitation or confidentiality agreements).

- Director Compensation Table- Similar to the Summary Compensation table except that disclosure is limited to one year, as discussed below.

What To Do Now

Complete Tally Sheets Now. Gather the information you need to complete the tables and the CD&A by conducting an analysis of the impact of the cost of compensation and benefits on profitability and the total compensation and benefits package of each executive officer. In order to most effectively do this, we recommend using the attached compensation tally sheet (which you should modify as appropriate) for each executive officer applying the new rules to last year's compensation. Although the new rules initially require disclosure only of information for the current fiscal year (with companies adding a year of disclosure in each successive year to phase into three-year disclosure) this exercise will highlight information that needs to be gathered that may not be readily available. The tally sheet involves identifying and quantifying *all* components of an executive's pay, including compensation that would be owed to him or her upon retirement or other termination of employment, as calculated as of the last business day of the last fiscal year and based on the closing stock price on that date. This calculation requires quantification of cash payments (including tax gross-ups) and the value of non-cash pay. For example, post-termination health benefits must be calculated using the methods and assumptions pursuant to FAS 106. Preparing this disclosure can be time consuming if valuing tax gross-ups or non-cash benefits is necessary. The rules are detailed and provide assumptions to be utilized. As we have previously recommended, we suggest that tally sheets showing the compensation of each executive for the last two to three years be provided to the compensation committee for its review prior to taking any action on executive compensation. This will enable the committee to document that it was aware of and considered the executives' existing total compensation packages before making a change.

Review director compensation and relationships now. In addition to the narrative disclosure providing a general description of the director compensation and any special compensation to a particular director, the new rules provide for a director summary compensation table, totaling every component of director compensation. We suggest that you prepare this table now using last year's numbers to determine in advance any information that needs to be developed.

DIRECTOR COMPENSATION

Name (a)	Fees Earned or Paid in Cash (\$) (b)	Stock Awards (\$) (c)	Option Awards (\$) (d)	Non-Equity Incentive Plan Compensation (\$) (e)	Change in Pension Value and Non- qualified Deferred Compensation Earnings (\$) (f)	All Other Compensation (\$) (g)	Total (\$) (h)
A							
B							
C							
D							
E							

Column B must include the sum of all director and committee fees, any supplemental payments and meeting fees. Columns C and D reflect FAS 123R aggregate grant date fair values of stock awards, options and SARs received during the year. The aggregate options and stock awards held by each director at year-end are to be disclosed separately in a footnote. Column E contains amounts earned on any non-equity incentive plan awards. Column F contains the same information with regard to changes in pension values and earnings on non-qualified deferred compensation as the Summary Compensation table-the increase in the actuarial present value of defined benefits and any above-market deferred compensation earnings. Column G is the catch all-“all other” compensation, including perquisites in excess of \$10,000, consulting fees, tax gross-ups, company contributions or other allocations to defined contribution plans, accruals or payments to the director under any severance or change in control arrangement, life insurance premiums paid on the director’s behalf and the cost of any charity gift programs.

The above table need not include disclosure for any NEO who is also a director whose compensation is disclosed in the tables for executives. Two or more directors may be grouped in a single row if all elements of their compensation are identical, provided that the identity of each director included in the group is made clear from the table.

Review option granting practices. Stock option disclosure has been expanded, requiring disclosure in the CD&A of below-market, “timed” options and any practices regarding the timing of option grants relative to the release of material information. Any deviation resulting in an option exercise price less than the closing market price on the grant date or a grant date different from the date the option grant was authorized will need to be disclosed. (Note also that any such plans allowing for below-market options might also be subject to Internal Revenue Code Section 409A rules regarding non-qualified deferred compensation arrangements.)

Review performance targets. Although the new rules allow omission of confidential performance target levels, the rules require CD&A disclosure as to the difficulty to achieve these levels. Changing the type of performance target used and disclosing the target may be preferable to trying to describe the difficulty in achieving the target.

Review existing plans for improvements. Since plans might need to be revised for Section 409A, now also may be a good time to redesign your compensation plans and arrangements to avoid potentially undesirable disclosure.

Annually Review Compensation Committee Charter. The compensation committee charter should be reviewed annually, both to ensure the committee is fulfilling its duties as outlined in the charter and to consider whether any changes to the charter might be appropriate. At a minimum, for companies that are not Regulation S-B filers, the charter should be updated to reflect the committee's obligation to review and discuss the CD&A with management and recommend whether the CD&A should be included in the proxy statement or Form 10-K.

Related Disclosure Requirements

Related Party Transactions. The new rules changed the structure of Item 404 of Regulation S-K while not changing the substance of the disclosure significantly. Except for Regulation S-B filers, the new rules provide a limited expansion of the old rules by requiring disclosure of the material features of the company's policies and procedures for the review, approval or ratification of related party transactions. These policies and procedures should, for the most part, already be in place, as stock exchange listing standards generally require the audit committee or another independent body of the board to approve these transactions. We would, however, be happy to review your existing policies and procedures to determine whether any changes should be made in light of the new disclosure requirements.

Disclosure of all transactions since the beginning of the company's last fiscal year, or any currently proposed transaction, is required if the company was (or would be) a "participant," the amount exceeds \$120,000 and the related party has a direct or indirect material interest. As a result, situations where the company is not a contractual party to the transaction yet benefits from the transaction, or where the related party has an "indirect" material interest due to stock ownership in another party to the transaction, require disclosure. Regulation S-B provides for a disclosure threshold of the lesser of \$120,000 or one percent of the average of the registrant's total assets at year-end for the last three completed fiscal years, thus potentially requiring disclosure by these registrants for transactions below \$120,000 in amount. Although the disclosure threshold increased from \$60,000, please note that disclosure is now required for transactions involving directors previously exempt from disclosure under Item 404(b) of Regulation S-K because payments were less than 5% of either party's revenues. The definition of related party has also been broadened to include stepchildren, stepparents and any person (other than a tenant or employee) who shares the household of a director, executive officer or greater than 5% shareholder. Loans made by financial institutions that are not otherwise disclosed as nonaccrual, past due, restructured or potential problems as provided in Guide III do not have to be individually disclosed, and substantially the same statement as made under the old rules - that the loans were made in the ordinary course of business, on substantially the same terms as to unrelated persons and did not involve more than the normal risk of collectibility or present other unfavorable features - will suffice. The SEC has stated that with respect to Rule 16b-3, which exempts from short-swing profit liability acquisitions of stock from or dispositions of stock to the issuer that are approved by a board committee of two or more non-employee directors, companies may rely on their related party transaction disclosure for the most recently completed fiscal year so long as there is no current or contemplated transaction involving the non-employee director that will require future related party disclosure.

Corporate Governance Matters. New Item 407 under Regulation S-K effectively consolidates existing rules regarding board attendance, compensation committee interlocks,

information regarding nominating and audit committees and shareholder communications, while adopting listing requirements to disclose information as the independence of each of the company's directors and director nominees. Disclosure must be made of any related party transaction below the Item 404 disclosure threshold that was considered by the board in determining that a particular director was independent. New disclosure regarding the compensation committee charter, the scope of the compensation committee's authority and the processes and procedures for considering and determining executive compensation, including the role of executive officers and consultation consultants, is required. This disclosure should focus on the company's corporate governance structure for considering and determining executive and director compensation. This is in contrast to the CD&A, which focuses on material information about the compensation policies and objectives of the company and seeks to put quantitative disclosure about named executive officers into perspective.

Stock Performance Graph Relocated. The five-year stock performance graph has been moved from the proxy statement to the annual report to shareholders.

Form 8-K Disclosure of Executive Compensation. The rules consolidate all compensation reporting under Item 5.02 and narrow the filings required. Specifically, information regarding the adoption of any material compensatory plan, contract or arrangement, grant, award or amendment affecting the current PEO and PFO, a NEO (determined as of the end of the previous year) or director must be filed. No Form 8-K disclosure with respect director compensation is required other than in connection with the director's appointment (excluding the election of a director at a shareholders' meeting) or resignation. Grants and awards that are consistent with the terms of earlier disclosed plans or arrangements or are immaterial and disclosed in the next proxy statement do not require a Form 8-K filing. Item 5.02 continues to require the reporting of the retirement, resignation or termination of the PEO, president, PFO, principal accounting officer, principal operating officer, any person performing similar functions or any other NEO and the retirement, resignation, removal or refusal to stand for re-election of any director. The appointment of a new PEO, president, PFO, principal accounting officer, principal operating officer, any person performing similar functions, or any director (excluding the election of a director at a shareholders' meeting) must also be reported, along with a brief description of any material compensatory plan, contract or arrangement adopted or amended in connection with the appointment.

* * *

This memorandum provides a brief overview of the new disclosure rules, which are extremely complex. We urge you to call us with any questions you may have.

SAMPLE FORM OF TALLY SHEET
(to be modified as appropriate)

Name and Title of Executive:

Section 1, Part A - Annual Compensation for Current Year and Last Two Years

<u>Component</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Base salary			
Bonus(1)			
Stock Option Grants(2)			
Restricted Stock Grants(3)			
Non-equity Incentive Plan Compensation (4)			
Change In Pension Value (5)			
Earnings on Deferred Comp.(6)			
Perquisites(7)			
Car Allowance			
Club Dues			
Personal Use of Corporate Aircraft			
Life Insurance Premiums(8)			
401(k) Match			
Non-Qualified Plan Match			
ESOP Allocation(9)			
Pension Accrual			
All Other Compensation(10)			
PART A TOTAL			

Section 1, Part B - Equity Compensation Gains and Other Plan Balances for Current Year and Last Two Years

<u>Component</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Stock Option Exercises(11)			
Value of Option Holdings(12)			
Value of Unvested Restricted Stock(13)			
Vesting of Restricted Stock(14)			
Accumulated Balances Under:			
Deferred Compensation Plan			
Pension Plan (including SERP)(15)			
401(k) Plan			
ESOP			
Other retirement plans (specify)			
PART B TOTAL			

Section 2 - Termination Scenarios

<u>Scenario</u>	<u>Quantified Obligation to Executive</u>
<i>Termination for Cause</i>	
Describe and quantify any payout obligations	
<i>Voluntary Resignation</i>	
Deferred Comp. Payout	
SERP and Any Other Defined Benefit Payout	
Continued Health Benefits(16)	
TOTAL	

Benefits forfeited (describe and quantify)
Normal or Early Retirement

Deferred Comp. Payout

SERP and Any Other Defined Benefit Payout

Continued Health Benefits

TOTAL

*"Involuntary" or "Good Reason" Termination
(not in connection with change in control)*

Salary and/or Bonus Payout
or Continuation

Deferred Comp. Payout

SERP and Any Other Defined Benefit Payout

Continued Health Benefits

Benefits Acceleration:

Stock Options

Restricted Stock

401(k) Plan

Non-Qualified Plans

TOTAL

*"Involuntary" or "Good Reason" Termination
(in connection with change in control)*

Salary and/or Bonus Payout
or Continuation

299% of "Base Amount" Severance Payment

Benefits acceleration:

Stock Options

Restricted Stock

401(k) Plan

Non-Qualified Plans

Lump Sum Payout of SERP or other Defined Benefit

Lump Sum Payout of Deferred Comp.

Continued Health Benefits

Tax Gross-Up/Reduction for 280G Cutback

TOTAL

-
- (1) Bonuses for 2004 and 2005 are the amounts actually paid to the executive for those years, and the bonus for 2006 is the executive's targeted bonus amount for that year. For 2006, the minimum and maximum potential bonus awards are \$_____ and \$_____, respectively.
- (2) Represents the aggregate grant date value of options granted computed in accordance with FAS 123R, using the following assumptions:_____.
- (3) Represents the aggregate grant date value of restricted stock granted computed in accordance with FAS 123R, using the following assumptions:_____.
- (4) Represents amounts earned during year on non-equity incentive plan awards.
- (5) Represents aggregate change in actuarial present value of accumulated benefit under all defined benefit and actuarial pension plans (including SERPs) from pension plan measurement date used for financial statements for prior year to pension plan measurement date for the covered year.
- (6) Represents aggregate interest or other earnings accrued during the year on deferred compensation.
- (7) Represents the incremental cost to the Company of providing these perquisites to the executive.
- (8) Represents life insurance premiums paid on the executive's behalf.
- (9) Determined by multiplying the number of shares allocated by the market price of the Company's stock on the last day of the year. The amount for 2006 reflects the estimated number of shares that will be allocated multiplied by the market value of the Company's stock at year-end.
- (10) Represents all other compensation not included in above categories, consisting of the following:
_____.

- (11) Represents the value realized upon the exercise of stock options based on the difference between the market value of the Company's stock at the time of exercise and the exercise price.
- (12) Represents the value of unexercised stock options based on the difference between the market value of the Company's stock at year-end and the exercise price.
- (13) Represents the value of unvested restricted stock based on the market value of the Company's stock at year-end.
- (14) Represents the market value of shares previously awarded as restricted stock on the vesting date.
- (15) Represents actuarial present value of the executive's accumulated benefit, computed as of measurement date used for financial statement purposes for year.
- (16) Should be quantified based on assumptions applied under FAS 106.