

## Executive Compensation Program Objectives and Overview

In structuring the Company's current executive compensation programs, the Company is guided by the following basic philosophies:

- *Competition.* The Company should provide competitive compensation opportunities so that the Company can attract, retain and motivate qualified executive officers.
- *Alignment with Stockholder Interests.* A substantial portion of compensation should be contingent on the Company's performance. As an executive officer's level of responsibility increases, a greater portion of the executive officer's total compensation should be dependent on the Company's performance and stock price appreciation.
- *Pay for Performance.* A substantial portion of compensation should be tied to Company and individual performance.

As described in more detail below, the material elements of the Company's current executive compensation program for the executive officers include the following: a base salary, an annual cash incentive opportunity, a long-term share-based incentive opportunity, 401(k) retirement benefits and severance protection for certain terminations of employment. These individual compensation elements are intended to create a total compensation package for the executive officers that the Company believes achieves its compensation objectives and provides competitive compensation opportunities.

The Company's current executive compensation program is intended to achieve three fundamental objectives: (1) attract, retain and motivate qualified executive officers; (2) hold executive officers accountable for their performance; and (3) align executive officers' interests with the interests of the Company's stockholders. The Company believes that each element of its executive compensation program helps the Company to achieve one or more of its compensation objectives. The table below lists each material element of the Company's executive compensation program and the compensation objective or objectives that it is designed to achieve.

<u>Compensation Element</u>	<u>Compensation Objectives Designed to be Achieved</u>
Base Salary	<ul style="list-style-type: none"> <li>• Attract, retain and motivate qualified executive officers</li> </ul>
Annual Cash Incentive Opportunity	<ul style="list-style-type: none"> <li>• Hold executive officers accountable for performance</li> <li>• Align executive officers' interests with those of stockholders</li> <li>• Attract, retain and motivate qualified executive officers</li> </ul>
Long-Term Share-Based Incentives	<ul style="list-style-type: none"> <li>• Align executive officers' interests with those of stockholders</li> <li>• Hold executive officers accountable for performance</li> <li>• Attract, retain and motivate qualified executive officers</li> </ul>
401(k) Retirement Benefits	<ul style="list-style-type: none"> <li>• Attract, retain and motivate qualified executive officers</li> </ul>
Severance and Other Benefits Upon Termination of Employment in Certain Circumstances	<ul style="list-style-type: none"> <li>• Attract, retain and motivate qualified executive officers</li> </ul>