

Executive Incentive Compensation Plan

Overview. All of our named executive officers participated in our Executive Incentive Compensation Plan (“EICP”) for 2009. The EICP is an annual incentive-based cash bonus program that rewards achievement of annual corporate, business unit and individual performance goals. The EICP is designed to recognize and reward the contributions of individual executives as well as the contributions of the executive officer group to overall corporate success. The Compensation Committee believes that this type of annual cash incentive program helps achieve our short-term Company objectives by focusing our officers on short-term performance targets that impact Company performance and shareholder return. Corporate, business unit and individual goals may vary annually to reflect our business plans and current market conditions. Pursuant to the terms of the EICP, no awards under the EICP may be made for any fiscal year in which the Company has reduced the dividend on its common stock.

General Policy on Performance Measures. The Compensation Committee’s intent with respect to target performance levels for EICP goals is that these goals should require strong performance levels relative to current business conditions, with actual performance either exceeding or falling below target in any given year. Maximum performance measures are established at levels that can only be achieved if performance results are exceptional. EICP bonus opportunities are reduced in half for performance at threshold and doubled for performance at the maximum level. In addition, the EICP also provides an opportunity for EICP participants to receive a portion of their cash bonus opportunity between set levels of performance. For any performance goal without set quantitative measures, a performance satisfaction percentage is assigned after a qualitative performance assessment of the goal.

Annual Incentive Opportunities. Target annual incentive opportunities under the EICP are set annually as a percentage of base salary. In connection with 2009 executive officer compensation, the Compensation Committee and our CEO reviewed the market data provided by Towers Perrin for both target annual incentive opportunities and target total cash compensation. Target total cash compensation is a combination of base salary and target annual incentive cash compensation under the EICP, and represents the target amount of compensation in the form of cash for day-to-day duties and annual performance that the Compensation Committee believes is appropriate to meet the Company’s compensation goals when determining executive officer compensation for the year. Our CEO provided 2009 target annual incentive opportunity recommendations for the named executive officers other than himself, and the Compensation Committee approved and adopted our CEO’s recommendations. The 2009 target annual incentive opportunity (expressed as a percentage of base salary) for each named executive officer that was approved by the Compensation Committee at its February 2009 meeting is set forth in the table below.

Name	2009 Target EICP Opportunity (% of base salary)
Mr. Barbas	75%
Mr. Boyle	50%
Mr. McCabe	45%
Mr. Meyer	45%
Mr. Taylor	45%

Except for Mr. Boyle and Mr. Meyer, the target annual incentive opportunities for the named executive officers were maintained at their 2008 levels based on the market data and the Compensation Committee’s belief that these existing levels were sufficient to adequately motivate short-term performance by these individuals. Mr. Boyle’s target annual incentive opportunity was increased from 35% to 50% for 2009 in recognition of his new role as Chief Financial Officer. Reflecting his short tenure in this role, Mr. Boyle’s 2009 target annual incentive opportunity and resulting target total cash compensation were slightly below the Market Range and Target Competitive Range, respectively, for his position.