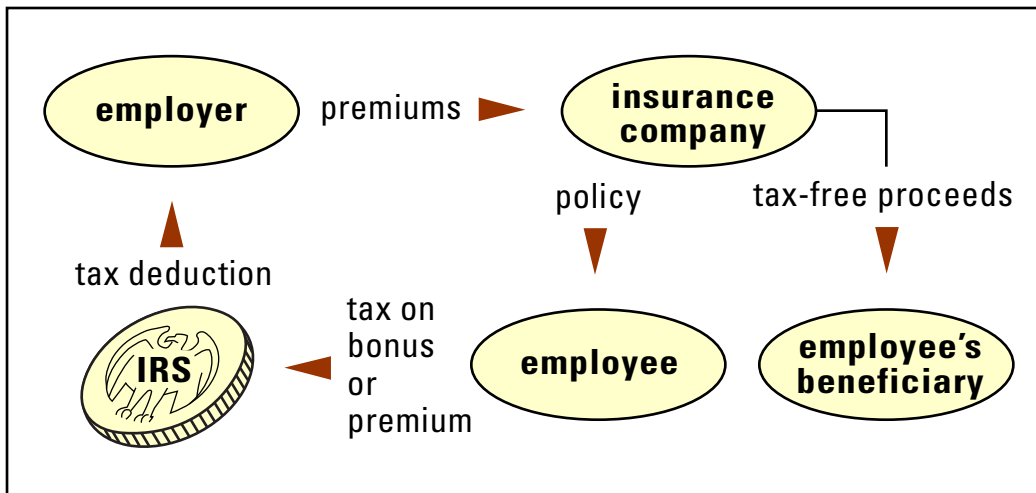


HOW EXECUTIVE BONUS ARRANGEMENTS WORK



The employer selects the employee(s) it wishes to benefit and pays tax-deductible* premiums (or a cash bonus) for a policy on the employee's life or disability protection.

*(*to the extent that the employee's total compensation is reasonable)*

The employee reports the premium (or bonus) as additional compensation each year.

At the employee's death, his or her beneficiary receives the death proceeds free of federal income taxes under IRC Section 101(a).

At the employee's disability, he or she receives disability benefits free of federal income tax.

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