

1 the date of the grant, which is typically late
2 February.

3 Q Do they designate a specific dollar
4 amount and then figure out what the market shows
5 the number of shares is or do they actually make
6 the award in X number of shares?

7 A The award recommendation is a dollar
8 amount because the shares are denominated in
9 dollars. And then on the date of grant in 2005
10 and six we were using an average of the high/low
11 stock price on the date of grant. Today we use
12 the closing stock price to determine the number of
13 shares.

14 Q For the AVPs who are at the lower
15 level, but get deferred cash, over what time
16 period is that cash deferred?

17 A Over three years, the same vesting
18 schedule as the stock.

19 Q Does that mean that if they stay at
20 the company for three years, three full years
21 after that is when they'd have eventually been
22 paid their whole bonus?

23 A If they stay for three years after
24 that, they will eventually have received the
25 entire amount their long term incentive award,