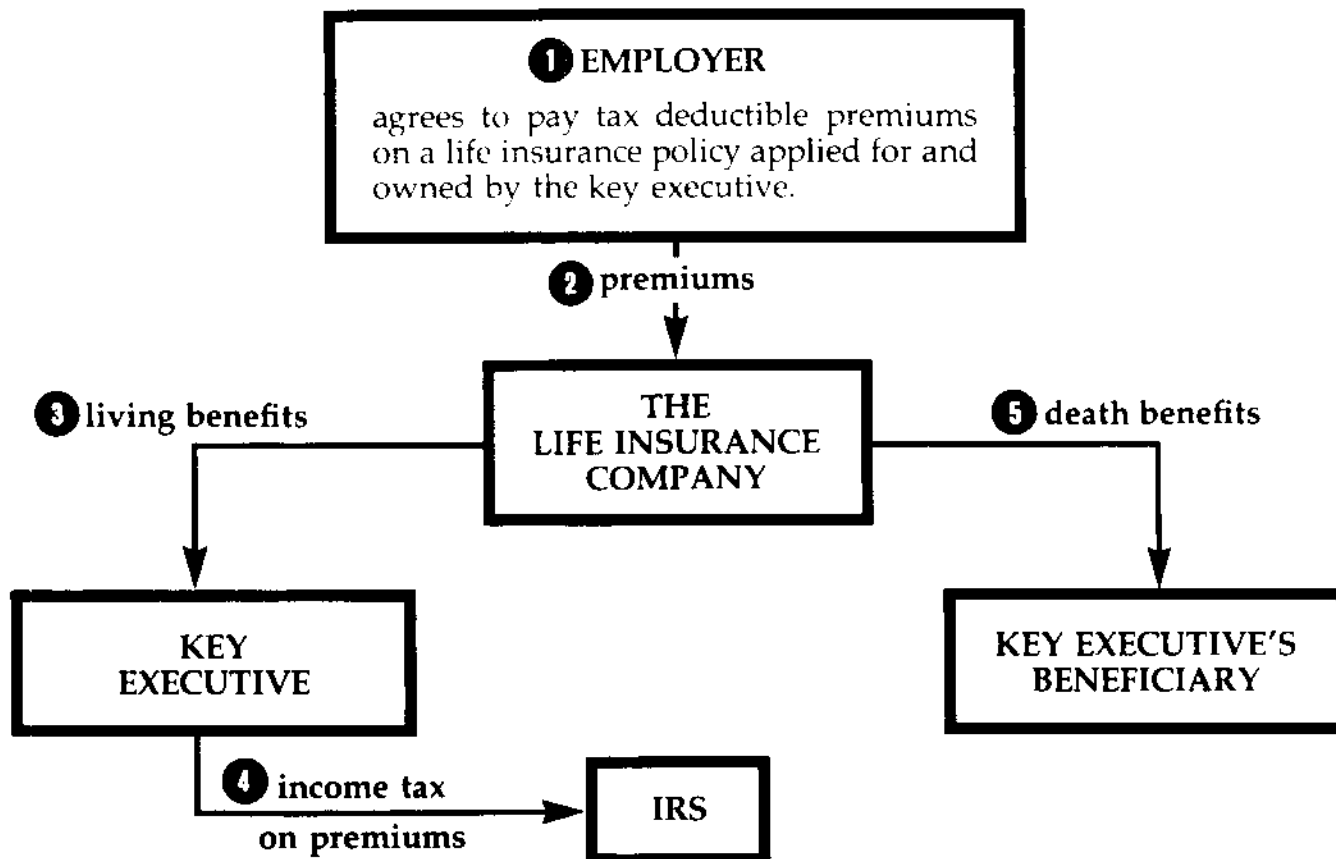


Executive Bonus Plan



- 1** The employer agrees to pay tax-deductible premiums on a life insurance policy applied for and owned by the key executive.
- 2** The employer pays these premiums to the life insurance company.
- 3** While alive, the key executive is entitled to all living benefits of the policy, which means...
- 4** He or she must pay income tax on the premiums, as well as on any dividends.
- 5** Upon the death of the key executive, the life insurance company pays a tax-free death benefit to the key executive's beneficiary.