The Company has also entered into employment agreements with Mssrs. Belluzzo, Gacek, and Britts. These employment agreements were entered into in order to secure the services of Mssrs. Belluzzo, Gacek and Britts and provide for minimum base salaries, target annual bonus opportunities, and stock option and restricted stock/restricted stock unit awards. These employment agreements also provide for the payment of severance benefits in the event of a qualifying termination of employment that is not associated with a change of control of the Company. The Company determined that it was necessary and appropriate to provide for the payment of severance benefits to Mssrs. Belluzzo, Gacek and Britts under these circumstances. The purpose of the agreements is to ensure that the Company will have the continued dedication of these executive officers by providing such individuals with compensation arrangements that are competitive with those of the executives of the companies in the Peer Group, to provide sufficient incentive to the individuals to remain with the Company and to enhance their financial security. The Board of Directors believes that these employment agreements serve the best interests of stockholders because it enables the Company to secure the services of these individuals at a cost that is both appropriate and reasonable.

Share Ownership Guidelines

While the Committee encourages executive share ownership, we do not currently require that our executive officers own a minimum number of shares of the Company's stock.

Tax and Accounting Considerations

Section 162(m) of the Internal Revenue Code

Section 162(m) of the Internal Revenue Code ("Section 162(m)") imposes limitations on the deductibility for federal income tax purposes of remuneration in excess of $1 million paid to certain executive officers in a taxable year. Generally, remuneration in excess of $1 million may only be deducted if it is "performance-based compensation" within the meaning of the Code.

The Executive Officer Incentive Plan allows the Committee to pay compensation that qualifies as performance-based compensation under Section 162(m). While the Company currently seeks to preserve deductibility of compensation paid to the NEOs under Section 162(m), flexibility to provide compensation arrangements necessary to recruit and retain outstanding executives is maintained. In particular, full preservation of tax deductibility may not be possible if non-performance-based restricted stock units continue to play a significant role in the executive compensation program since such restricted stock units are not deemed to be performance-based under Section 162(m). No amount of the compensation paid to the NEOs in Fiscal 2010 was determined to be non-deductible under Section 162(m).

Section 409A of the Internal Revenue Code

Section 409A of the Internal Revenue Code ("Section 409A") imposes additional significant taxes in the event that an executive officer, director or service provider receives deferred compensation that does not meet the requirements of Section 409A. Section 409A applies to traditional nonqualified deferred compensation plans, certain severance arrangements, and equity awards. As described above, the Company maintains a non-tax qualified deferred compensation plan, has entered into severance and change of control agreements with our executive officers, including the NEOs, and grants equity awards. However, to assist in the avoidance of additional tax under Section 409A, the Company structures its equity awards in a manner intended to comply with the applicable Section 409A requirements. With respect to the non-tax qualified deferred compensation plan and the severance and change of control agreements, the Company completed a review of the plan and these agreements in light of the final regulations issued by the Internal Revenue Service and the Department of the Treasury and has amended the plan and such agreements as necessary to comply with Section 409A.

Accounting Considerations

We follow the applicable accounting rules for our equity-based compensation. The applicable accounting rules require companies to calculate the grant date value of equity-based awards using a variety of assumptions. This calculation is performed for accounting purposes and reported in the compensation tables, even though the equity award recipients may never realize any value from their awards. The applicable accounting rules also require companies to recognize the compensation cost of their equity-based awards in their income statements over the period that a recipient is required to render service in exchange for the equity award.