

SUPREME INDUSTRIES INC
Form DEF 14A
March 16, 2004

SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(A) OF THE
SECURITIES EXCHANGE ACT OF 1934 (AMENDMENT NO. _____)

Filed by the Registrant /X/

Filed by a party other than the Registrant //

Check the appropriate box:

// Preliminary Proxy Statement

/X/ Definitive Proxy Statement

// Definitive Additional Materials

// Soliciting Material Pursuant to Rule 14a-11(c) or Rule 14a-12

// Confidential, for use of the Commission only (as permitted by Rule 14a-6 (e) (2))

SUPREME INDUSTRIES, INC.

(NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (check the appropriate box):

/X/ No fee required.

// Fee computed on table below per exchange Act Rules 14a-6 (i) (4) and 0-11.

 (1) Title of each class of securities to which transaction applies.

 (2) Aggregate number of securities to which transaction applies.

 (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined.)

 (4) Proposed maximum aggregate value of transaction.

 (5) Total fee paid.

// Fee paid previously with preliminary materials.

// Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11 (a) (2) and identify the filing for which the fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

 (1) Amount Previously Paid.

 (2) Form, Schedule or Registration Statement No.

 (3) Filing Party.

 (4) Date Filed.

SUPREME INDUSTRIES, INC.

2581 East Kercher Road

P.O. Box 237

Goshen, IN 46528

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To Be Held April 29, 2004

To Shareholders of

SUPREME INDUSTRIES, INC.:

SOLICITATION OF PROXIES

This Proxy Statement and accompanying Proxy are furnished to shareholders in connection with the solicitation of proxies by Directors of Supreme Industries, Inc. (the "Company") for use at the Annual Meeting of Shareholders to be held at the Courtyard Marriott, 1930 Lincolnway East, Goshen, Indiana on April 29, 2004 at 10:00 a.m. Eastern Standard Time, or at any adjournment. Notice of Meeting, the form of Proxy, and this Proxy Statement are being mailed to the Company's shareholders on or about March 25, 2004.

The expense of proxy solicitation will be borne by the Company. Although solicitation is to be made primarily through the mail, the Company's officers and/or employees and those of its transfer agent may solicit proxies by telephone or personal contact, but no additional compensation will be paid by the Company for such solicitation material regarding the meeting to beneficial owners of the Company's Common Stock, and in such event the Company will reimburse them for all accountable costs so incurred.

A copy of the Annual Report to Shareholders of the Company for its fiscal year ended December 27, 2003, is being mailed with this Proxy Statement to all such shareholders entitled to vote, but does not form any part of the information for solicitation of proxies.

RECORD DATE AND VOTING SECURITIES

The Board of Directors of the Company has fixed the close of business on March 8, 2004, as the record date for determination of shareholders entitled to notice of and to vote at the Annual Meeting. As of the record date, there were 9,961,148 shares of Class A Common Stock and 2,109,133 shares of Class B Common Stock of the Company issued and outstanding. The presence, in person or by proxy, of holders of a majority of the issued and outstanding shares of Common Stock as of the record date is necessary to constitute a quorum for the Annual Meeting with respect to matters upon which both classes of Common Stock are entitled to vote.

ACTION TO BE TAKEN AND VOTE REQUIRED

Action will be taken at the meeting to elect a Board of Directors, approve the Company's 2004 Stock Option Plan and to ratify the appointment of Crowe Chizek and Company LLC as independent auditors. The proxy will be voted in accordance with the directions specified herein and otherwise in accordance with the judgment of the persons designated as proxies. Any proxy on which no directions are specified will be voted for the election of directors named herein, and otherwise in accordance with the judgment of the persons designated as proxies. A person executing the enclosed proxy may nevertheless revoke it at any time prior to the actual voting thereof by filing with the Company a written notice of revocation.

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7777 Washington Village Drive, Suite 210	 	 	 	 	 	 	 	 	
Dayton, OH 45459	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	
Mark E. Brady, William E. Hazel,	 	Class A	 	716,983	 	 	 	 	
Bernard J. Holtgrieve and Robert J. Suttman	 	 	 	 	 	 	 	 	
7777 Washington Village Drive, Suite 210	 	 	 	 	 	 	 	 	
Dayton, OH 45459	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	
Eubel Brady & Suttman	 	Class A	 	710,468	 	 	 	 	
Asset Management, Inc.	 	 	 	 	 	 	 	 	
7777 Washington Village Drive, Suite 210	 	 	 	 	 	 	 	 	
Dayton, OH 45459	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	
Wilco Management Corporation	 	Class A	 	641,536	 	 	 	 	
2360 West Joppa Road	 	 	 	 	 	 	 	 	
Lutherville, MD 21093	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	
FMR Corp., Edward C. Johnson III and	 	Class A	 	503,750	 	 	 	 	
Abigail P. Johnson	 	 	 	 	 	 	 	 	
82 Devonshire Street	 	 	 	 	 	 	 	 	
Boston, MA 02109	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	
Wachovia Corporation	 	Class A	 	493,838	 	 	 	 	
One Wachovia Center	 	 	 	 	 	 	 	 	
Charlotte, NC 28288	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	
Thomas Cantwell	 	Class A	 	714,970 (2)(6)	 	 	 	 	
#1 McGill St., Apt. 1010	 	Class B	 	700,946	 	 	 	 	
Montreal, Quebec, Canada H2Y 4A3	 	 	 	 	 	 	 	 	

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Herbert M. Gardner	Class A	954,586 (2)(3)(6)
636 River Road	Class B	545,914 (3)
Fair Haven, NJ 07704		
William J. Barrett	Class A	1,300,435 (2)(4)(6)
636 River Road	Class B	625,296 (4)
Fair Haven, NJ 07704		
Omer G. Kropf	Class A	634,556 (2)
2581 East Kercher Road		
Goshen, IN 46528		
Robert J. Campbell	Class A	134,401 (2)(5)(6)
15690 Treasure Cove	Class B	44,044
Bullard, TX 75757		

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Name and Address of Beneficial Owner	Title Class	Amount and Nature of Beneficial Ownership
Rice M. Tilley, Jr.	Class A	43,200 (2)
1600 West Seventh Street		
Suite 500		
Fort Worth, TX 76102		
Robert W. Wilson	Class A	86,418 (2)
2581 East Kercher Road		
Goshen, IN 46528		

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H. Douglas Schrock	Class A	86,064 (2)
68143 Clunette Street		
New Paris, IN 46553		
Mark C. Neilson	Class A	1,000
1361 Bridgewater Way		
Mishawaka, IN 46545		
All directors and officers as a group	Class A	3,955,631 (2)(3)(4)(5)(6)
of (9) persons	Class B	1,916,200 (3)(4)

* Less than 1%

(1) The percentage calculations have been made in accordance with Rule 13d-3(d)(1) promulgated under the Securities Exchange Act of 1934. In making these calculations, shares beneficially owned by a person as a result of the ownership of Stock Options, or other securities convertible into Class B Common Stock, were deemed to be currently outstanding solely with respect to the holders of such options or Class B Common Stock.

(2) Includes the number of Class A Shares set forth opposite the persons named in the following table which shares are beneficially owned by such persons as a result of the ownership of Stock Options under the Company's 1992, 1998 and 2001 Stock Option Plans.

	Stock	Options
Omer G. Kropf	79,502	
Herbert M. Gardner	72,875	
William J. Barrett	72,875	
Robert W. Wilson	58,797	
Rice M. Tilley, Jr.	16,638	
Robert J. Campbell	14,025	
Thomas Cantwell	14,025	

 	 	 	H. Douglas Schrock	 	 	7,608	 	 	
 	 	 	All directors and officers as a group	 	 	336,345	 	 	
 	 	 	 	 	 	 	 	 	

(3) Includes 9,663 shares of Class A Common Stock and 56,592 shares of Class B Common Stock owned by Mr. Gardner's wife. Mr. Gardner has disclaimed beneficial ownership of these shares.

(4) Includes 81,686 shares of Class A Common Stock and 9,849 shares of Class B Common Stock owned by Mr. Barrett's wife. Mr. Barrett has disclaimed beneficial ownership of these shares.

 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	

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(5) Includes 410 shares of Class A Common Stock owned beneficially by Mr. Campbell's wife, as custodian for their children. She has disclaimed beneficial ownership of these shares.

(6) Includes the number of shares of Class A Common Stock which are deemed to be beneficially owned as a result of ownership of Class B Common Stock, which Class B shares are freely convertible on a one-for-one basis into Class A shares.

Depositories such as The Depository Trust Company (Cede & Company) as of March 8, 2004 held, in the aggregate, more than 5% of the Company's then outstanding Class A voting shares. The Company understands that such depositories hold such shares for the various participating brokers, banks, and other institutions which are entitled to vote such shares according to the instructions of the beneficial owners thereof. The Company has no reason to believe that any of such beneficial owners hold more than 5% of the outstanding voting securities.

 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	

ELECTION OF DIRECTORS

Nine directors are to be elected at the Annual Meeting of Shareholders. Unless otherwise instructed, the proxy holders will vote as directed by the proxy received by them for the nominees shown below for the term of one year and until their successors are duly elected and have qualified. The Company's Board of Directors is currently comprised of nine members. Of the persons named below, Messrs. Schrock, Tilley and Gardner have been nominated for election by the holders of Class A Common Stock, and the remaining persons have been nominated for election by the holders of Class B Common Stock. The nominees for election by holders of Class A Common Stock were recommended to the Board of Directors by a majority of the independent directors of the Board.

Transmedia Network, Inc., a company that develops and markets transaction-based dining and other consumer rewards programs; TGC Industries, Inc., a company engaged in the geophysical services industry, Hirsch International Corp., importer of computerized embroidery machines, and supplies; Co-Active Marketing Group, Inc., a marketing and sales promotion company.

Omer G. Kropf, 62							1984	Executive Vice Pr						

Executive Vice President of the Company since August 1984; President and Chief Executive Officer of Supreme Corporation, a subsidiary of the Company, from January 1984 to November 2000 and co-holder of Office of the President of Supreme Corporation since November 2000.

William J. Barrett, 64							1979	Executive Vice Pr						

President of Barrett-Gardner Associates, Inc., an investment banking firm since November 2002 and previously Senior Vice President of Janney Montgomery Scott LLC, investment bankers; Secretary and Assistant Treasurer of the Company and a Director since 1979. Chairman of the Board of Rumson-Fair Haven Bank and Trust Company, a New Jersey state independent, commercial bank and trust company; and a Director of TGC Industries, Inc., a company engaged in the geophysical services industry.

Robert W. Wilson, 59							1992	Executive Vice Pr						

Treasurer, Executive Vice President and Chief Financial Officer of the Company since December 1992; Vice President of Finance since 1988 and co-holder of Office of the President of Supreme Corporation, a subsidiary of the Company, since November 2000.

									Executive					
Positions														

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Name, Age, and Business Experience	 	Officer Since	 	Comp
Robert J. Campbell, 72	 	n/a	 	None
Retired Chief Executive Officer of TGC Industries, Inc., from March 1996 to December, 1998, a company engaged in the geophysical services industry; Vice Chairman of the Board and Chief Executive Officer of TGC from July 1993 through March 1996; Chairman of the Board and Chief Executive Officer of TGC Industries, Inc., from July 1986 to July 1993. Prior to such time, President and Chief Executive Officer of the Company for more than five years.	 	 	 	
 	 	 	 	
Dr. Thomas Cantwell, 76	 	n/a	 	None
1978 to present, independent oil and gas consultant and personal investor; September 1987 to present, President of Technical Computer Graphics, Inc., a software/hardware integrator in the computer graphics field; Director, VertigoXMedia, a developer of television broadcast control systems.	 	 	 	
 	 	 	 	
H. Douglas Schrock, 55	 	n/a	 	None
President of Smoker Craft, Inc., a pleasure boat manufacturer, since 1978; also President of Earthway Products, Inc. and President of Starcraft Marine, LLC.	 	 	 	
 	 	 	 	
Rice M. Tilley, Jr., 67	 	n/a	 	Assistant Secretary
Member of the law firm of Law, Snakard & Gambill, a Professional Corporation, since 1965; member of Governor's Business Council from 1997 to present; and a member of the Board of Regents of the University of North Texas from October, 2003 to present.	 	 	 	
 	 	 	 	
Mark C. Neilson, 45	 	n/a	 	None
Chief Financial Officer of Towne Air Freight, Inc., an air freight trucking company, since March 2001; Chief Financial Officer and Director of Shelter Components Corporation, a supplier to the recreational vehicle industry, from March 1986 to October 1998; Director of Geocel Holdings Corporation, a manufacturer of sealants and adhesives; Director of Therm-O-Lite, Inc., a manufacturer	 	 	 	

of interior insulating windows; Director of EVS, Inc., a manufacturer of emergency vehicle seating.

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COMMITTEES AND MEETINGS OF THE BOARD OF DIRECTORS; INDEPENDENT DIRECTORS

The Board of Directors has an Executive Committee comprised of Dr. Cantwell and Messrs. Gardner, Barrett, and Kropf, an Audit Committee comprised of Dr. Cantwell and Messrs. Tilley, Neilson and Campbell, and a Stock Option Committee comprised of Dr. Cantwell and Messrs. Gardner and Barrett.

The Executive Committee, which met four times during the year ended December 27, 2003, is charged by the Company's bylaws with the responsibility of exercising such authority of the Board of Directors as is specifically delegated to it by the Board, subject to the limitations contained in the bylaws.

The Audit Committee met four times during the year ended December 27, 2003. The purpose and functions of the Audit Committee are to appoint or terminate the independent auditors; evaluate and determine compensation of the independent auditors; review the scope of the audit proposed by the independent auditors; review year-end financial statements prior to issuance; consult with the independent auditors on matters relating to internal financial controls and procedures; and make appropriate reports and recommendations to the Board of Directors.

The Stock Option Committee met twice during the year. The Committee is responsible for awarding Stock Options to key employees and other individuals who provide substantial advice or other assistance to the Company so that they will apply their best efforts for the benefit of the Company.

The Board of Directors does not have nominating or compensation committees.

During the year ended December 27, 2003, the Board of Directors held four regularly scheduled meetings. All of the Directors attended 75% or more of the total meetings of the Board and of the committees on which they serve.

The Board of Directors has determined that the following five directors, constituting a majority of the Board of Directors, have no material relationship with the Company that would interfere with the exercise of independent judgment and are "independent" within the meaning of the listing requirements of the New York Stock Exchange.

Company's Annual Report on Form 10-K for filing with the Securities and Exchange Commission.

As specified in the Audit Committee Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine whether the Company's financial statements are complete and accurate and in accordance with accounting principles generally accepted in the United States of America. That is the responsibility of management and the Company's independent accountants. In giving our recommendations to the Board of Directors, we have relied on (i) management's representation that such financial statements have been prepared with integrity and objectivity and in conformity with generally accepted accounting principles, and (ii) the report of the Company's independent accountants with respect to such financial statements.

 The Audit Committee:

 Rice M. Tilley, Jr. (Chair)

 Robert J. Campbell

 Thomas Cantwell

 Mark C. Neilson

Accounting Fees

The following table sets forth the aggregated fees billed to the Company for fiscal years 2003 and 2002 by the Company's independent accountants, Crowe Chizek and Company LLC:

	2003	2002
Audit fees	\$116,000	\$107,000
Audit-related fees	30,790	20,300
Tax fees	135,495	165,600
All other fees	18,750	-
Total fees	\$301,035	\$292,900

The Audit Committee has advised the Company that it has determined that the non-audit services rendered by the Company's independent accountants during the Company's most recent fiscal year are compatible with maintaining the independence of such accountants.

Code of Ethics

The Company has adopted a Code of Ethics that applies to the Company's Officers and Directors, including the Company's principal executive officer and principal financial and accounting officer. The code has been posted in the Shareholder Information section of the Company's website, www.supremeind.com.

EXECUTIVE COMPENSATION

The following table sets forth the compensation paid or accrued by the Company and its subsidiaries for services rendered during the three fiscal years to the Company's chief executive officer and each of the most highly compensated executive officers of the Company whose cash compensation exceeds \$100,000.

Summary Compensation Table

Name and Principal Position	Year	Annual Compensation		Long Term Compensation
		Salary \$	Bonus \$	
Herbert M. Gardner (1)	2003	\$108,000	\$ 59,000	---
Chairman of the Board	2002	108,000	72,500	---
and President	2001	108,000	102,546	---
William J. Barrett (1)	2003	108,000	59,000	---
Executive Vice President	2002	108,000	72,500	---
(Long Range and Strategic Planning)	2001	108,000	102,546	---

Secretary

 	 	 	 	 	 	 	 	 	 	 	 	
Omer G. Kropf (2)	 	2003	 	240,000	 	92,683	 	 	---	 	 	
Executive Vice	 	2002	 	240,000	 	109,784	 	 	---	 	 	6
President	 	2001	 	240,000	 	365,800	 	 	---	 	 	5
 	 	 	 	 	 	 	 	 	 	 	 	
Robert W. Wilson (3)	 	2003	 	147,923	 	92,683	 	 	---	 	 	6
Executive Vice	 	2002	 	135,000	 	109,784	 	 	---	 	 	4
President, Treasurer	 	2001	 	132,692	 	182,900	 	 	---	 	 	5
and Chief Financial Officer	 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	 	

(1) On January 1, 1993, the Company entered into three-year consulting agreements commencing on January 1, 1993 with Mr. Mr. Barrett for financial and advisory consulting services. On September 22, 1994, the Board of Directors approved an amend contracts so that on December 31st of each year the contracts will be extended for an additional year. On May 1, 2003 the Cor entered into employment contracts commencing on May 1, 2003 with Mr. Gardner and Mr. Barrett. Commencing on the first contract and each day thereafter the term of the contracts shall automatically be extended for one additional day so that a cons year term will always be in effect. The terms of the employment contracts provide for Mr. Gardner and Mr. Barrett to receive base salary of \$108,000 per year, plus a cash incentive performance fee in the amount of \$36,000 if the pre-tax earnings of the exceed \$2,000,000, plus an amount equal to 0.6% of the amount by which such pre-tax earnings exceed \$2,000,000.

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(2) On May 1, 1998, the Company's wholly-owned subsidiary, Supreme Corporation, entered into a four-year employment contract with Mr. Kropf through April 30, 2002. On May 1, 2002, Supreme Corporation entered into a new three-year employment contract with Kropf through April 30, 2005. The terms of the employment contract provide for a minimum base salary of \$240,000 per year subject to approval by the Board of Directors, based upon the Company's pre-tax operating performance.

(3) On January 1, 1998, the Company's wholly-owned subsidiary, Supreme Corporation, entered into a three-year employment contract with Mr. Wilson through December 31, 2000. On July 1, 2000, amendment number one extended the contract through Decem On July 1, 2003 Supreme Corporation entered into a new three-year employment contract with Mr. Wilson through June 30, 2 terms of the employment contract provide for a minimum base salary of \$150,000 per year (subject to increase by the determin Board of Directors) plus a bonus subject to approval by the Board of Directors, based upon the Company's pre-tax operating p

 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	

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The Board Of Directors Report On Executive Compensation

 	 	 	 	 	 	 	 	 	 	 	
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The Company's compensation policy and annual compensation applicable to the Company's executive officers are the responsibility of the Board of Directors. Executive officers of the Company who are also members of the Board, including the chief executive officer, do not receive compensation from the Company. The Board of Directors reviews the individual performance of each executive officer and the financial performance of the Company. The Board also takes into account salary levels, bonus plans, stock incentive plans and other compensation packages of executive officers of companies of similar size and nature. The Board of Directors considers the Company's compensation policy in light of Section 162(m) of the Internal Revenue Code of 1986 and related regulations regarding the deductibility of certain compensation. No compensation which is non-deductible under such Section; however, the Board of Directors may determine to pay compensation which is non-deductible in certain circumstances. In accordance with the above compensation policy, the Board of Directors, upon the approval of a majority of the independent directors of the Board, has established certain compensation arrangements as set forth below.

 	 	 	 	 	 	 	 	 	 	 	
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The Board has approved Employment Contracts between the Company and Mr. Herbert M. Gardner, Chairman of the Board of Directors of the Company, and Mr. William J. Barrett, Executive Vice President (Long Range and Strategic Planning) and Secretary of the Company. The Employment Contracts went into effect May 1, 2003, and shall automatically be extended for one additional day so that a contract will always be in effect. In consideration of services to be provided to the Company, the Employment Contracts provide for Mr. Gardner and Mr. Barrett to each receive (in addition to certain fringe benefits): (1) annual consulting fees of \$108,000 (which monthly payments shall be made to Messrs. Gardner and Barrett, respectively, for serving as members of the Board of Directors and any committees of the Company and its subsidiaries); and (2) if the pre-tax earnings of the Company exceed \$2,000,000, an incentive bonus of \$36,000, plus an amount equal to the amount by which such pre-tax earnings exceed \$2,000,000.

 	 	 	 	 	 	 	 	 	 	 	
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The Company's wholly-owned subsidiary, Supreme Corporation, entered into an Employment Contract with Mr. Omer G. Kropf as President of Supreme Corporation (Mr. Kropf is also an Executive Vice President of the Company). The Employment Contract was for a term of four years beginning on May 1, 1998, and ending on April 30, 2002. On May 1, 2002 Supreme Corporation entered into a new Employment Contract with Mr. Kropf through April 30, 2005. In consideration of his services rendered as President of Supreme Corporation, this Employment Contract provides that Supreme Corporation will pay to Mr. Kropf (in addition to certain fringe benefits) a minimum base salary of \$240,000 per year plus a bonus if earned under Supreme Corporation's Bonus Payment Plan. Under this Plan, an amount equal to ten percent (10%) of the Company's pre-tax profits is (subject to Board approval) placed into a bonus pool which is then allocated among, and is distributed to, the Company's executive officers. The allocation of such bonus pool is approved by the Board of Directors based upon an analysis of the contribution of each executive officer to the Company's financial performance and a consideration of Management's recommendation as to an appropriate allocation to each executive officer's contributions.

 	 	 	 	 	 	 	 	 	 	 	
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The Company's wholly-owned subsidiary, Supreme Corporation, also entered into an Employment Contract with Mr. Robert V. Mr. Wilson as Vice President of Finance, Treasurer and Assistant Secretary of Supreme Corporation (Mr. Wilson is also Executive Treasurer and Chief Financial Officer of the Company). The Employment Contract was for a term of three years beginning January 1, 2000 and ending December 31, 2002. On July 1, 2000 amendment number one extended the contract through December 31, 2003. On July 1, 2003 Supreme Corporation entered into a new Employment Contract through June 30, 2006. In consideration of his services rendered as Executive Treasurer and Chief Financial Officer of the Corporation, the Employment Contract provides that Supreme Corporation will pay (in addition to certain fringe benefits) a minimum base salary of \$150,000 per year (subject to increase by the determination of the Board of Directors) plus a pre-tax incentive bonus if earned under Supreme Corporation's Bonus Payment Plan described in the preceding paragraph.

 	 	 	 	 	 	 	 	 	 	 	
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The Board of Directors

 	 	 	 	 	 	 	 	 	 	 	
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William J. Barrett Herbert M. Gardner H. Douglas Schrock

Robert J. Campbell Omer G. Kropf Rice M. Tilley, Jr.

Thomas Cantwell Mark C. Neilson Robert W. Wilson

 	 	 	 	 	 	 	 	 	 	 	
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Stock Option Plans

 	 	 	 	 	 	 	 	 	 	 	
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2004 Stock Option Plan

 	 	 	 	 	 	 	 	 	 	 	
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On January 23, 2004, the Company's Board of Directors approved and adopted, subject to shareholder approval, the Company's 2004 Stock Option Plan. Shareholders will be asked to approve the 2004 Stock Option Plan at the Annual Meeting to be held April 29, 2004. The following summarizes certain provisions of the 2004 Stock Option Plan and are qualified in their entirety by reference thereto.

 	 	 	 	 	 	 	 	 	 	 	
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The 2004 Stock Option Plan provides for the granting of options (collectively, the "2004 Options") to purchase shares of the Company's Class A Common Stock to certain key employees of the Company and/or its affiliates, and certain individuals who are not employees of the Company or its affiliates but who from time to time provide substantial advice or other assistance or services to the Company and/or its affiliates. The 2004 Stock Option Plan authorizes the granting of options to acquire up to 600,000 shares of Class A Common Stock, subject to certain limitations set forth below, to be outstanding at any time. Subject to such limitations, there is no limit on the absolute number of awards that may be granted under the 2004 Stock Option Plan. At the present time, there are approximately 40 employees of the Company, including officers and directors of the Company, who, in management's opinion, would be considered eligible to receive grants under the 2004 Stock Option Plan, although not all of them may actually receive grants.

 	 	 	 	 	 	 	 	 	 	 	
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Authority to administer the 2004 Stock Option Plan has been delegated to a committee (the "Committee") of the Board of Directors. As expressly provided by the 2004 Stock Option Plan, the Committee has authority, in its discretion, to award 2004 Options and to determine the terms and conditions (which need not be identical) of such 2004 Options, including the persons to whom, and the time or times at which,

be awarded, the number of 2004 Options to be awarded to each such person, the exercise price of any such 2004 Options, and the provisions of any agreement pursuant to which such 2004 Options will be awarded. The 2004 Stock Option Plan also provides that the Board of Directors may be authorized by the Board of Directors to make cash awards as specified by the Board of Directors to the holder of a 2004 Option in connection with the exercise thereof. Subject to the limitation set forth below, the exercise price of the shares of stock covered by such 2004 Option will be determined by the Committee on the date of award.

 	 	 	 	 	 	 	 	 	 	 	
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Unless a Holder's option agreement provides otherwise, the following provisions will apply to exercises by the Holder of his or her 2004 Option. A 2004 Option may be exercised during the first twelve months following the date of grant. During the second year following the date of grant, one-third of the shares covered thereby may be exercised, and during the third year options covering up to two-thirds of such shares. Thereafter, and until the options expire, the optionee may exercise options covering all of the shares. Persons over sixty-five years of age may exercise options covering up to one-half of the shares during the first year and thereafter may exercise all optioned shares. Subject to the provisions just described, options may be exercised as to all or any part of the shares covered thereby on one or more occasions, but, as a condition to exercise, cannot be exercised as to less than one hundred shares at any one time.

 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	

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The exercise price of the shares of stock covered by each incentive stock option ("ISO"), within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), will not be less than the fair market value of stock on the date of award of such ISO, and will not be awarded to any person who owns stock possessing more than ten percent (10%) of the total combined voting power of the Company, unless the exercise price is at least one hundred ten percent (110%) of the fair market value of the stock at the time of award. If the ISO is not exercisable after the expiration of five years from the date it is awarded.

 	 	 	 	 	 	 	 	 	 	 	
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The exercise price of the shares of Class A Common Stock covered by each 2004 Option that is not an ISO ("NSO") will not be less than fifty percent (50%) of the fair market value of the stock on the date of award of such NSO.

Payment for Class A Common Stock issued upon the exercise of a 2004 Option may be made in cash or, with the consent of the Committee, partly in cash and partly in such shares of Class A Common Stock owned by the holder of the 2004 Option for at least six months prior to the date of exercise of such 2004 Option. If payment is made, in whole or in part, with shares of Class A Common Stock, the Committee may issue to such Holder a new 2004 Option for a number of shares equal to the number of shares delivered by such Holder to pay the exercise price of the previous 2004 Option. The new 2004 Option will have an exercise price equal to one hundred percent (100%) of the fair market value of the Class A Common Stock on the date of the exercise of such previous 2004 Option so issued will not be exercisable until the later of the date specified in an individual option agreement or six months after the date of grant.

 	 	 	 	 	 	 	 	 	 	 	
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In addition, the 2004 Stock Option Plan allows for the cashless exercise of options via the Sale Method. Under the Sale Method, payment in full of the exercise price of the option may be made through the Company's receipt of a copy of instructions from the holder directing such broker to sell the stock for which the option is being exercised, to remit to the Company an amount equal to the exercise price of such option, with balance being remitted to the holder.

 	 	 	 	 	 	 	 	 	 	 	
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The duration of each 2004 Option will be for such period as the Committee determines at the time of award, but not for more than five years from the date of the award (or not more than five years from the date of award if the Holder owns stock representing more than 10% of the voting power of all classes of stock) in the case of an ISO, and in either case may be exercised in whole or in part at any time or in installments, as determined by the Committee at the time of award, except that after the date of award, the Committee may determine the time or times at which a 2004 Option may be exercised.

 	 	 	 	 	 	 	 	 	 	 	
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In the event of any change in the number of outstanding shares of Class A Common Stock effected without receipt of consideration by the Company, by reason of a stock dividend, or split, combination, exchange of shares or other recapitalization, merger, or other transaction in which the Company is the surviving corporation, the aggregate number and class of reserved shares, the number and the class of shares of Class A Common Stock outstanding 2004 Option, and the exercise price of each outstanding 2004 Option shall be automatically adjusted accurately and fairly to give effect thereon of such change. Unless a Holder's option agreement provides otherwise, a dissolution or liquidation of the Company, or consolidations in which the Company is not the surviving corporation, or certain transactions in which another corporation becomes a subsidiary of the Company, shall cause such Holder's 2004 Option to terminate, but such Holder shall have the right, immediately prior to such transaction, to exercise such 2004 Option to the extent of the determination as to the periods and installments of exercisability made pursuant to such holder's option agreement if (and only if) such option has not at that time expired or been terminated.

 	 	 	 	 	 	 	 	 	 	 	
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The 2004 Stock Option Plan, as amended, will terminate on January 22, 2014 or on such earlier date as the Board of Directors determines. All stock options outstanding at the termination date will remain outstanding until they have been exercised, terminated, or have expired.

 	 	 	 	 	 	 	 	 	 	 	
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The 2004 Stock Option Plan may be terminated, modified, or amended by the Board of Directors at any time without further notice, except that shareholder approval is required for any amendment that: (a) changes the number of shares of Class A Common Stock reserved for the 2004 Stock Option Plan, (b) changes the designation of the class of employees eligible to receive 2004 Options, (c) decreases the number of 2004 Options to be granted, (d) removes the administration of the 2004 Stock Option Plan from the Committee, or (e) without the consent of the Committee causes the ISO's granted under the 2004 Stock Option Plan and outstanding at such time that satisfied the requirements of Section 409(b) no longer satisfy such requirements.

 	 	 	 	 	 	 	 	 	 	 	
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2001 Stock Option Plan

 	 	 	 	 	 	 	 	 	 	 	
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On January 31, 2001, the Company's Board of Directors approved and adopted, subject to shareholder approval, the Company's 2001 Stock Option Plan. The Plan was approved by the Company's shareholders at the Annual Meeting held on May 2, 2001. The following paragraphs describe certain provisions of the 2001 Stock Option Plan and are qualified in their entirety by reference thereto.

 	 	 	 	 	 	 	 	 	 	 	
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The 2001 Stock Option Plan provides for the granting of options (collectively, the "2001 Options") to purchase shares of the Company's Common Stock to certain key employees of the Company and/or its affiliates, and certain individuals who are not employees of the Company.

affiliates but who from time to time provide substantial advice or other assistance or services to the Company and/or its affiliates. The 2001 Stock Option Plan authorizes the granting of options to acquire up to 825,000 shares of Class A Common Stock, subject to certain limitations set forth below, to be outstanding at any time. Subject to such limitations, there is no limit on the absolute number of awards that may be made under the 2001 Stock Option Plan. At the present time, there are approximately 40 employees of the Company, including officers and directors of the Company, who, in management's opinion, would be considered eligible to receive grants under the 2001 Stock Option Plan, although not all may actually receive grants. At December 27, 2003, there were 797,500 options outstanding under this plan, of which 198,910

 	 	 	 	 	 	 	 	 	 	 	
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Authority to administer the 2001 Stock Option Plan has been delegated to a committee (the "Committee") of the Board of Directors. As expressly provided by the 2001 Stock Option Plan, the Committee has authority, in its discretion, to award 2001 Options and to determine the terms and conditions (which need not be identical) of such 2001 Options, including the persons to whom, and the time or times at which, they will be awarded, the number of 2001 Options to be awarded to each such person, the exercise price of any such 2001 Options, and the provisions of any agreement pursuant to which such 2001 Options will be awarded. The 2001 Stock Option Plan also provides that the Committee may be authorized by the Board of Directors to make cash awards as specified by the Board of Directors to the holder of a 2001 Option in connection with the exercise thereof. Subject to the limitation set forth below, the exercise price of the shares of stock covered by such award will be determined by the Committee on the date of award.

 	 	 	 	 	 	 	 	 	 	 	
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Unless a Holder's option agreement provides otherwise, the following provisions will apply to exercises by the Holder of his or her options. Options may be exercised during the first twelve months following the date of grant. During the second year following the date of grant, one-third of the shares covered thereby may be exercised, and during the third year options covering up to two-thirds of such shares may be exercised. Thereafter, and until the options expire, the optionee may exercise options covering all of the shares. Persons over sixty-five years of age may exercise options covering up to one-half of the shares during the first year and thereafter may exercise all optioned shares. Subject to the provisions just described, options may be exercised as to all or any part of the shares covered thereby on one or more occasions, but, as a condition, they cannot be exercised as to less than one hundred shares at any one time.

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The exercise price of the shares of stock covered by each incentive stock option ("ISO"), within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), will not be less than the fair market value of stock on the date of award of such ISO, and will not be awarded to any person who owns stock possessing more than ten percent (10%) of the total combined voting power of the Company, unless the exercise price is at least one hundred ten percent (110%) of the fair market value of the stock at the time of award. If the ISO is not exercisable after the expiration of five years from the date it is awarded.

 	 	 	 	 	 	 	 	 	 	 	
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The exercise price of the shares of Class A Common Stock covered by each 2001 Option that is not an ISO ("NSO") will not be less than 50% (50%) of the fair market value of the stock on the date of award of such NSO.

 	 	 	 	 	 	 	 	 	 	 	
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Payment for Class A Common Stock issued upon the exercise of a 2001 Option may be made in cash or, with the consent of the Board of Directors, in shares of Class A Common Stock owned by the holder of the 2001 Option for at least six months prior to the date of exercise. If payment is made, in whole or in part, with shares of Class A Common Stock, the Committee may issue to such Holder a new 2001 Option for a number of shares equal to the number of shares delivered by such Holder to pay the exercise price of the previous 2001 Option. The new 2001 Option will have an exercise price equal to one hundred percent (100%) of the fair market value of the Class A Common Stock on the date of the exercise of such previous 2001 Option so issued will not be exercisable until the later of the date specified in an individual option agreement or six months after the date of grant.

 	 	 	 	 	 	 	 	 	 	 	
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In addition, the 2001 Stock Option Plan allows for the cashless exercise of options via the Sale Method. Under the Sale Method, the Committee, payment in full of the exercise price of the option may be made through the Company's receipt of a copy of instructions directing such broker to sell the stock for which the option is being exercised, to remit to the Company an amount equal to the exercise price of such option, with balance being remitted to the holder.

 	 	 	 	 	 	 	 	 	 	 	
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The duration of each 2001 Option will be for such period as the Committee determines at the time of award, but not for more than five years from the date of the award (or not more than five years from the date of award if the Holder owns stock representing more than 10% of the total voting power of all classes of stock) in the case of an ISO, and in either case may be exercised in whole or in part at any time or in installments, as determined by the Committee at the time of award, except that after the date of award, the Committee may determine the time or times at which a 2001 Option may be exercised.

 	 	 	 	 	 	 	 	 	 	 	
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In the event of any change in the number of outstanding shares of Class A Common Stock effected without receipt of consideration by the Company, by reason of a stock dividend, or split, combination, exchange of shares or other recapitalization, merger, or otherwise, in which the Company is the surviving corporation, the aggregate number and class of reserved shares, the number and the class of shares of Class A Common Stock outstanding 2001 Option, and the exercise price of each outstanding 2001 Option shall be automatically adjusted accurately and fairly to give effect thereon of such change. Unless a Holder's option agreement provides otherwise, a dissolution or liquidation of the Company, or consolidations in which the Company is not the surviving corporation, or certain transactions in which another corporation becomes a subsidiary of the Company, shall cause such Holder's 2001 Option to terminate, but such Holder shall have the right, immediately prior to such transaction, to exercise such 2001 Option on the determination as to the periods and installments of exercisability made pursuant to such holder's option agreement if (and insofar as) they have not at that time expired or been terminated.

 	 	 	 	 	 	 	 	 	 	 	
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The 2001 Stock Option Plan, as amended, will terminate on January 30, 2011 or on such earlier date as the Board of Directors determines. All stock options outstanding at the termination date will remain outstanding until they have been exercised, terminated, or have expired.

 	 	 	 	 	 	 	 	 	 	 	
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The 2001 Stock Option Plan may be terminated, modified, or amended by the Board of Directors at any time without further notice, except that shareholder approval is required for any amendment that: (a) changes the number of shares of Class A Common Stock reserved for the 2001 Stock Option Plan, (b) changes the designation of the class of employees eligible to receive 2001 Options, (c) decreases the number of 2001 Options to be granted, (d) removes the administration of the 2001 Stock Option Plan from the Committee, or (e) without the consent of the Committee causes the ISO's granted under the 2001 Stock Option Plan and outstanding at such time that satisfied the requirements of Section 409(b) no longer satisfy such requirements.

 	 	 	 	 	 	 	 	 	 	 	
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1998 Stock Option Plan

 	 	 	 	 	 	 	 	 	 	 	
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On October 29, 1998, the Company's Board of Directors approved and adopted, subject to shareholder approval, the Company's 1998 Stock Option Plan. The plan was approved by shareholders at the annual meeting held on April 29, 1999. The following paragraphs summarize the 1998 Stock Option Plan and are qualified in their entirety by reference thereto.

 	 	 	 	 	 	 	 	 	 	 	
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The 1998 Stock Option Plan provides for the granting of options (collectively, the "1998 Options") to purchase shares of the Company's Common Stock to certain key employees of the Company and/or its affiliates, and certain individuals who are not employees of the Company or its affiliates but who from time to time provide substantial advice or other assistance or services to the Company and/or its affiliates. The Option Plan authorizes the granting of options to acquire up to 869,087 shares of Class A Common Stock, subject to certain limitations set forth below, to be outstanding at any time. Subject to such limitations, there is no limit on the absolute number of awards that may be made under the 1998 Stock Option Plan. At the present time, there are approximately 40 employees of the Company, including officers and directors of the Company, who, in management's opinion, would be considered eligible to receive grants under the 1998 Stock Option Plan, and they may actually receive grants. At December 27, 2003, there were 535,247 options outstanding under this plan, of which 535,247

 	 	 	 	 	 	 	 	 	 	 	
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Authority to administer the 1998 Stock Option Plan has been delegated to a committee (the "Committee") of the Board of Directors. As expressly provided by the 1998 Stock Option Plan, the Committee has the authority, in its discretion, to award 1998 Options on the terms and conditions (which need not be identical) of such 1998 Options, including the persons to whom, and the time or times when, they will be awarded, the number of 1998 Options to be awarded to each such person, the exercise price of any such 1998 Options, and the provisions of any agreement pursuant to which such 1998 Options will be awarded. The 1998 Stock Option Plan also provides that the Committee may be authorized by the Board of Directors to make cash awards as specified by the Board of Directors to the holder of a 1998 Option in connection with the exercise thereof. Subject to the limitations set forth below, the exercise price of the shares of stock covered by such award will be determined by the Committee on the date of award.

 	 	 	 	 	 	 	 	 	 	 	
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Unless a Holder's option agreement provides otherwise, the following provisions will apply to exercises by the Holder of his or her options. Options may be exercised during the first twelve months following the date of grant. During the second year following the date of grant, one-third of the shares covered thereby may be exercised, and during the third year options covering up to two-thirds of such shares may be exercised. Thereafter, and until the options expire, the optionee may exercise options covering all of the shares. Persons over sixty-five years of age may exercise options covering up to one-half of the shares during the first year and thereafter may exercise all optioned shares. Subject to the provisions just described, options may be exercised as to all or any part of the shares covered thereby on one or more occasions, but, as a condition to exercise, cannot be exercised as to less than one hundred shares at any one time.

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The exercise price of the shares of stock covered by each incentive stock option ("ISO"), within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), will not be less than the fair market value of stock on the date of award of such ISO, and will not be awarded to any person who owns stock possessing more than ten percent (10%) of the total combined voting power of the Company, unless the exercise price is at least one hundred ten percent (110%) of the fair market value of the stock at the time of award. The ISO is not exercisable after the expiration of five years from the date it is awarded.

 	 	 	 	 	 	 	 	 	 	 	
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The exercise price of the shares of Class A Common Stock covered by each 1998 Option that is not an ISO ("NSO") will not be less than 50% (50%) of the fair market value of the stock on the date of award of such NSO.

 	 	 	 	 	 	 	 	 	 	 	
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Payment for Class A Common Stock issued upon the exercise of a 1998 Option may be made in cash or, with the consent of the Committee, partly in cash and partly in such shares of Class A Common Stock. If payment is made, in whole or in part, with shares of Class A Common Stock, the Committee may issue to such Holder a new 1998 Option for a number of shares equal to the number of shares delivered by such Holder to pay the exercise price of the previous 1998 Option. The new 1998 Option shall have an exercise price of not less than one hundred percent (100%) of the fair market value of the Class A Common Stock on the date of the exercise of such previous 1998 Option.

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In addition, the 1998 Stock Option Plan originally provided for two methods for the cashless exercise of options, the Sale Method and the Net Method. The Board of Directors of the Company amended the 1998 Stock Option Plan on November 11, 1999 to delete the Net Method (no options were ever exercised using the net method). Under the Sale Method, with the consent of the Committee, payment in full for the price of the option may be made through the Company's receipt of a copy of instructions to a broker directing such broker to sell the option is being exercised, to remit to the Company an amount equal to the aggregate exercise price of such option, with balance to the Holder.

 	 	 	 	 	 	 	 	 	 	 	
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The duration of each 1998 Option will be for such period as the Committee determines at the time of award, but not for more than five years from the date of the award (or not more than five years from the date of award if the Holder owns stock representing more than 10% of the total voting power of all classes of stock) in the case of an ISO, and in either case may be exercised in whole or in part at any time or in installments, as determined by the Committee at the time of award, except that after the date of award, the Committee may determine the time or times at which a 1998 Option may be exercised.

 	 	 	 	 	 	 	 	 	 	 	
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In the event of any change in the number of outstanding shares of Class A Common Stock effected without receipt of consideration by the Company, by reason of a stock dividend, or split, combination, exchange of shares or other recapitalization, merger, or otherwise, if the Company is the surviving corporation, the aggregate number and class of reserved shares, the number and the class of shares of Class A Common Stock outstanding 1998 Option, and the exercise price of each outstanding 1998 Option shall be automatically adjusted accurately and equitably to the effect thereon of such change. Unless a Holder's option agreement provides otherwise, a dissolution or liquidation of the Company, or consolidations in which the Company is not the surviving corporation, or certain transactions in which another corporation becomes a subsidiary of the Company, shall cause such Holder's 1998 Option to terminate, but such Holder shall have the right, immediately prior to such transaction, to exercise such 1998 Option on the determination as to the periods and installments of exercisability made pursuant to such Holder's option agreement if (and in any event if) such Holder has not at that time expired or been terminated.

 	 	 	 	 	 	 	 	 	 	 	
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The 1998 Stock Option Plan, as amended, will terminate on October 29, 2008, or on such earlier date as the Board of Directors may determine. All stock options outstanding at the termination date will remain outstanding until they have been exercised, terminated, or have expired.

 	 	 	 	 	 	 	 	 	 	 	
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The 1998 Stock Option Plan may be terminated, modified, or amended by the Board of Directors at any time without further notice, except that shareholder approval is required for any amendment that: (a) changes the number of shares of Class A Common Stock reserved for the 1998 Stock Option Plan, (b) changes the designation of the class of employees eligible to receive 1998 Options, (c) decreases the number of 1998 Options to be granted, (d) removes the administration of the 1998 Stock Option Plan from the Committee, or (e) without the consent of the Committee causes the ISO's granted under the 1998 Stock Option Plan and outstanding at such time that satisfied the requirements of Section 101(b) no longer satisfy such requirements.

 	 	 	 	 	 	 	 	 	 	 	
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1992 Stock Option Plan

 	 	 	 	 	 	 	 	 	 	 	
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On April 7, 1992, the Company's Board of Directors approved and adopted, subject to shareholder approval, the Company's 1992 Stock Option Plan. The plan was approved by the shareholders at the annual meeting held on June 11, 1992. The following paragraphs summarize the 1992 Stock Option Plan and are qualified in their entirety by reference thereto. The 1992 Stock Option Plan provides for the granting of options (collectively, the "1992 Options") to purchase shares of the Company's Class A Common Stock to certain key employees of the Company, its affiliates, and certain individuals who are not employees of the Company or its affiliates but who from time to time provide substantial assistance or services to the Company and/or its affiliates. The 1992 Stock Option Plan authorizes the granting of options to acquire up to 400,000 shares of Class A Common Stock, subject to certain adjustments described below. Subject to such limitations, there is no limit on the number of awards that may be granted during the life of the 1992 Stock Option Plan. At the present time, there are approximately 40 employees of the Company, including officers and directors of the Company, who, in management's opinion, would be considered eligible to receive awards under the 1992 Stock Option Plan, although fewer employees may actually receive grants. At December 27, 2003, there were no options outstanding under the 1992 Stock Option Plan.

 	 	 	 	 	 	 	 	 	 	 	
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Authority to administer the 1992 Stock Option Plan has been delegated to a committee (the "Committee") of the Board of Directors. As expressly provided by the 1992 Stock Option Plan, the Committee has the authority, in its discretion, to award 1992 Options and to determine the terms and conditions (which need not be identical) of such 1992 Options, including the persons to whom, and the time or times when, the 1992 Options will be awarded, the number of 1992 Options to be awarded to each such person, the exercise price of any such 1992 Options, and the provisions of any agreement pursuant to which such 1992 Options will be awarded. The 1992 Stock Option Plan also provides that the Committee may be authorized by the Board of Directors to make cash awards as specified by the Board of Directors to the Holder of a 1992 Option upon the exercise thereof. Subject to the limitation set forth below, the exercise price of the shares of stock covered by each 1992 Option will be determined by the Committee on the date of award.

 	 	 	 	 	 	 	 	 	 	 	
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Unless a Holder's option agreement provides otherwise, the following provisions will apply to exercises by the Holder of his or her 1992 Options. Options may be exercised during the first twelve months following the date of grant. During the second year following the date of grant, one-third of the shares covered thereby may be exercised, and during the third year options covering up to two-thirds of such shares may be exercised. Thereafter, and until the options expire, the optionee may exercise options covering all of the shares. Persons over sixty-five years of age may exercise options covering up to one-half of the shares during the first year and thereafter may exercise all optioned shares. Subject to the provisions just described, options may be exercised as to all or any part of the shares covered thereby on one or more occasions, but, as a condition to exercise, cannot be exercised as to less than one hundred shares at any one time.

 	 	 	 	 	 	 	 	 	 	 	
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The exercise price of the shares of stock covered by each incentive stock option ("ISO"), within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), will not be less than the fair market value of stock on the date of award of such ISO, and will not be awarded to any person who owns stock possessing more than ten percent (10%) of the total combined voting power of the Company, unless the exercise price is at least one hundred ten percent (110%) of the fair market value of the stock at the time of award. The ISO is not exercisable after the expiration of five years from the date it is awarded.

 	 	 	 	 	 	 	 	 	 	 	
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The exercise price of the shares of Class A Common Stock covered by each 1992 Option that is not an ISO ("NSO") will not be less than 50% (50%) of the fair market value of the stock on the date of award.

 	 	 	 	 	 	 	 	 	 	 	
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Payment for Class A Common Stock issued upon the exercise of a 1992 Option may be made in cash or, with the consent of the Committee, partly in cash and partly in such shares of Class A Common Stock. If payment is made, in whole or in part, with shares of Class A Common Stock, the Committee may issue to such Holder a new 1992 Option for a number of shares equal to the number of shares of Class A Common Stock delivered by such Holder to pay the exercise price of the previous 1992 Option having an exercise price equal to not less than 100% (100%) of the fair market value of the Class A Common Stock on the date of such exercise. A 1992 Option so issued will not be exercisable later of the date specified in an individual option agreement or six months after the date of grant.

 	 	 	 	 	 	 	 	 	 	 	
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The duration of each 1992 Option will be for such period as the Committee determines at the time of award, but not for more than 10 years from the date of the award in the case of an ISO, and in either case may be exercised in whole or in part at any time or only after a period of 12 months from the date of award, or in installments, as determined by the Committee at the time of award, except that after the date of award, the Committee may determine the periods and installments at which a 1992 Option may be exercised.

 	 	 	 	 	 	 	 	 	 	 	
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In the event of any change in the number of outstanding shares of Class A Common Stock effected without receipt of consideration by the Company, by reason of a stock dividend, or split, combination, exchange of shares or other recapitalization, merger, or otherwise, if the Company is the surviving corporation, the aggregate number and class of reserved shares, the number and the class of shares of Class A Common Stock outstanding 1992 Option, and the exercise price of each outstanding 1992 Option shall be automatically adjusted accurately and fairly to give effect thereon of such change. Unless a Holder's option agreement provides otherwise, a dissolution or liquidation of the Company, or consolidations in which the Company is not the surviving corporation, or certain transactions in which another corporation becomes a subsidiary of 50 percent (50%) or more of the total combined voting power of all classes of stock of the Company, shall cause such Holder's 1992 Option outstanding to terminate, but such Holder shall have the right, immediately prior to such transaction, to exercise such 1992 Option on the determination as to the periods and installments of exercisability made pursuant to such Holder's option agreement if (and only if) such Holder has not at that time expired or been terminated.

 	 	 	 	 	 	 	 	 	 	 	
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The 1992 Stock Option Plan terminated on April 7, 2002. Any stock options outstanding at the termination date will remain outstanding until they have been exercised, terminated, or have expired.

 	 	 	 	 	 	 	 	 	 	 	
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Equity Compensation Plan Information

 	 	 	 	 	 	 	 	 	 	 	
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The table below sets forth information as of the end of the Company's 2003 fiscal year for (i) all compensation plans previously approved by our shareholders and (ii) all compensation plans not previously approved by our shareholders:

 	 	 	 	 	 	 	 	 	 	 	
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 	 	Number of securities to				 	Weighted-average				 	future
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 	 	be issued upon exercise				 	exercise price of				 	co
 	 	of outstanding options,				 	outstanding options,				 	(e
Plan category	 	warrants and rights				 	warrants and rights				 	reflect
Equity compensation	 	 	 	 	 	 	 	 	 	 	 	
plans approved by	 	 	 	 	 	 	 	 	 	 	 	
security holders	 	1,332,747				 	\$4.36				 	
 	 	 	 	 	 	 	 	 	 	 	 	

Equity compensation plans approved by our shareholders include the 1992 Stock Option Plan, the 1998 Stock Option Plan and Plan.

 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	

401 (k) Retirement Plan

 	 	 	 	 	 	 	 	 	 	 	
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The Company has a Section 401(k) Retirement Plan (the "Retirement Plan") which offers employees tax advantages pursuant Internal Revenue Code. During the year ended December 27, 2003, all of the employees of the Company and one of its subsid "Employer") were eligible to participate in the Retirement Plan if they had reached the age of 21 and had been employed by th one full calendar year. Under the terms of the Retirement Plan, a participant may elect to contribute to the Plan up to 15% of h Through February 1994, the Company contributed ten cents on each dollar of the first 6% of compensation contributed by par 1994, the Board of Directors approved an increase to fifteen cents on each dollar of the first 6% of compensation contributed b March 1, 1994. On August 29, 1997, the Board of Directors approved an increase to twenty-five cents on each dollar of the fir contributed by participants effective December 1, 1997. On February 11, 1999 the Board of Directors approved an increase to dollar of the first 7% of compensation contributed by participants effective March 1, 1999. Payments are made by the Compar the latter by means of a payroll deduction program. Within specified limits, a participant has the right to direct his or her savin investments. The total aggregate amount of the Company's contribution for Messrs. Kropf and Wilson was \$2,957 and \$2,957 executive officers as a group was \$5,914.

 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	

 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	

Stock Price Performance

 	 	 	 	 	 	 	 	 	 	 	
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The following Stock Performance Graph shows the changes over the past five year period in the value of \$100 invested in (1) Common Stock, (2) the American Stock Exchange Total Return Index, and (3) the American Stock Exchange Industrial Manufacturing Index. The year-end values of each investment are based on share price appreciation and the reinvestment of dividends. The stock price performance is not necessarily indicative of future performance.

 	 	 	 	 	 	 	 	 	 	 	
 	 	12/31/98	 	 	12/31/99	 	12/31/00	 	12/31/01	 	12/28/02
Supreme Industries, Inc.	 	\$100	 	 	\$71	 	\$34	 	\$51	 	\$50
AMEX Industrial	 	 	 	 	 	 	 	 	 	 	
Manufacturing Index	 	\$100	 	 	\$128	 	\$157	 	\$125	 	\$96
AMEX (US) Total	 	 	 	 	 	 	 	 	 	 	
Return Index	 	\$100	 	 	\$131	 	\$123	 	\$112	 	\$93

Assumes \$100 invested on December 31, 1998 in Supreme Industries, Inc. Stock, the AMEX Industrial Mfg. Index and the AMEX Total Return Index.

Transactions With Management

 	 	 	 	 	 	 	 	 	 	 	
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As part of its original acquisition on January 19, 1984 of the specialized vehicle manufacturing business now being operated by Supreme Corporation, Supreme Corporation acquired an option to purchase certain real estate and improvements, at its Goshen, Indiana, and Griffin, Georgia facilities from the lessors controlled by the sellers of such business (one of whom is Omer G. Kropf). The option agreement provided that the option could be assigned to either or both of William J. Barrett and Herbert M. Gardner on January 8, 1989, and that, prior to that time, it could be assigned to either or both of William J. Barrett and Herbert M. Gardner. The Company's Board of Directors.

 	 	 	 	 	 	 	 	 	 	 	
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On July 25, 1988, Supreme Corporation assigned the option (with the consent of the grantors of the option) to a limited partnership. The general partner of the Partnership is Supreme Corporation, and the limited partnership interests therein are owned (directly or indirectly) by individuals including Mr. Barrett, Mr. Gardner, Mr. Kropf, Dr. Cantwell, and Mr. Campbell, all of whom are members of the Company's Board of Directors.

 	 	 	 	 	 	 	 	 	 	 	
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In a transaction consummated on July 25, 1988, the Partnership exercised the option and purchased all of the subject real estate. Also on July 25, 1988, the Partnership and Supreme Corporation entered into new leases covering Supreme facilities in Goshen, Indiana and Griffin, Georgia at initial rental rates equivalent to those paid pursuant to the lease agreements with the prior lessors. The leases granted to the Partnership contain options to purchase the properties for an aggregate initial price of \$2,765,000 (subject to increases after three (3) years in the Consumer Price Index). During the current year ending December 25, 2004, Supreme Corporation is obligated to make \$629,000 in minimum lease payments to the Partnership under lease agreements which expire July 2005.

 	 	 	 	 	 	 	 	 	 	 	
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In order to carry out the purchase of the subject real estate and improvements, the Partnership borrowed from a bank \$2,363,000 on mortgages on such real estate, a security interest in specified personal properties, and the assignments of the leases. The initial cost of the Partnership's limited partners covered the balance of the purchase price.

 	 	 	 	 	 	 	 	 	 	 	
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Mr. Kropf, Executive Vice President and Director of the Company, is Secretary-Treasurer and sole shareholder of Quality Transportation Company, a subsidiary of Supreme Corporation, purchases delivery services from Quality Transportation in the ordinary course of business. For the year ended December 27, 2003, Supreme Corporation purchased delivery services of \$3,090,000 from Quality Transportation. The services were without special terms or conditions and were as favorable as those that the Company could have obtained from non affiliated transportation companies.

On April 28, 2000, Supreme Corporation entered into a Lease Agreement with Mr. Kropf for the lease from Mr. Kropf of a warehouse on approximately 10 acres of land close to Supreme Corporation's FRP manufacturing facility in Ligonier, Indiana. The lease is for a term of three (3) years terminating April 30, 2003 for a rental amount of \$402,660 for the term, payable in equal monthly installments. The rental amount was based on an independent third party appraisal. Supreme Corporation had two (2) renewal options of three (3) years each, equal to the rental amount for the initial term, adjusted upward for any increase in the Consumer Price Index. Supreme did not exercise its renewal option at the expiration as the full facility was no longer needed. The current rental is on a month-to-month basis at 12 cents per square foot amount of space actually needed. In addition, during peak business Supreme leases land from Mr. Kropf for chassis storage. Rental under the above agreements were \$110,760 during 2003.

 	 	 	 	 	 	 	 	 	 	 	
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INDEPENDENT PUBLIC ACCOUNTANTS

 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	

It is expected that representatives of Crowe Chizek and Company LLC will be present at the shareholders' annual meeting with make a statement if they desire to do so and also will be available to respond to appropriate questions at the meeting.

 	 	 	 	 	 	 	 	 	 	 	
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The Company's Board of Directors recommend that you vote FOR ratification of the selection of Crowe Chizek and Company auditors for the fiscal year ending December 25, 2004.

 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	

OTHER MATTERS

 	 	 	 	 	 	 	 	 	 	 	
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The Company's management knows of no other matters that may properly be, or which are likely to be, brought before the meeting, other matters are properly brought before the meeting, the persons named in the enclosed proxy, or their substitutes, will vote in their best judgment on such matters.

 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	

SHAREHOLDER PROPOSALS

 	 	 	 	 	 	 	 	 	 	 	
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A shareholder proposal intended to be presented at the Company's Annual Meeting of Shareholders in 2005 must be received at the principal executive offices in Goshen, Indiana, on or before December 1, 2004 in order to be included in the Company's proxy statement relating to that meeting.

 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	

FINANCIAL STATEMENTS

 	 	 	 	 	 	 	 	 	 	 	
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The Company's Annual Report to Shareholders for the fiscal year ended December 27, 2003, is enclosed herewith.

 	 	 	 	 	 	 	 	 	 	 	
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A COPY OF THE COMPANY'S MOST RECENT ANNUAL REPORT ON FORM 10-K IS AVAILABLE, WITHOUT CHARGE, UPON WRITTEN REQUEST TO THE TREASURER, SUPREME INDUSTRIES, INC., P.O. BOX 237, 2581 EAST KERCHER ROAD, GOSHEN, INDIANA 46528

 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	By Order of the Board of Directors		

 	 	 	 	 	 	 	 	 	 	 	
AUDIT COMMITTEE CHARTER											
OF											
SUPREME INDUSTRIES, INC.											
 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	
I. PURPOSE	 	 									
 	 	 	 	 	 	 	 	 	 	 	
<p>The Audit Committee shall provide assistance to the Corporation's directors in fulfilling their responsibility to the shareholder and the investment community relating to corporate accounting, reporting practices of the Corporation, and the quality and integrity of reports of the Corporation. The Audit Committee's primary duties and responsibilities are to:</p>											
 											
<ul style="list-style-type: none"> • Oversee that management has maintained the reliability and integrity of the accounting policies and financial reporting practices of the Corporation. 											
 	 	 	 	 	 	 	 	 	 	 	
<ul style="list-style-type: none"> • Oversee that management has established and maintained processes to assure that an adequate system of internal control exists at the Corporation. 											
 	 	 	 	 	 	 	 	 	 	 	
<ul style="list-style-type: none"> • Oversee that management has established and maintained processes to assure compliance by the Corporation with all applicable regulations, and corporate policy. 											
 	 	 	 	 	 	 	 	 	 	 	
<ul style="list-style-type: none"> • Oversee the qualifications, independence and performance of the independent accounting firm . 											
 	 	 	 	 	 	 	 	 	 	 	
<ul style="list-style-type: none"> • Prepare the report required by the Securities and Exchange Commission's ("SEC") proxy rules to be included in the Corporation's proxy statement. 											
 	 	 	 	 	 	 	 	 	 	 	
<p>The Audit Committee will fulfill these responsibilities primarily by carrying out the activities enumerated in Section IV of this Charter.</p>											
 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	

II. COMPOSITION			 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	

The Audit Committee shall be comprised of three or more directors as determined by the Board, each of whom shall be an "independent director" as defined in Section 121(A) of the American Stock Exchange listing standards and Rule 10A-3(b)(1) under the Securities Exchange Act of 1934 ("1934 Act"), and shall be free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Audit Committee. All members of the Audit Committee shall have a working familiarity with basic accounting practices including being able to read and understand fundamental financial statements, including a balance sheet, income statement, and cash flow statement. In addition, at least one member of the Audit Committee shall have accounting or related financial management experience and shall qualify as an "Audit Committee Financial Expert" as defined in Section 229.401(h) of the 1934 Act.

 	 	 	 	 	 	 	 	 	 	 	
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The members of the Audit Committee shall be elected by the Board at the annual meeting of the Board to serve for the ensuing year, and their successors have been duly elected and qualified. Unless a Chairperson is elected by the full Board, the members of the Audit Committee shall designate a Chairperson by majority vote of the full Audit Committee membership.

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III. MEETINGS											
 	 	 	 	 	 	 	 	 	 	 	

The Audit Committee shall meet at least four times annually, or more frequently as circumstances dictate. As part of its job of oversight and communication, the Audit Committee plans to meet at least annually with management and the representatives of the independent member firms to discuss any matters that the Audit Committee or each of these groups believes should be discussed privately. In addition, the Audit Committee Chairperson, plans to meet with management and the representatives of the independent accounting firm quarterly to review the financials consistent with Section IV.D below.

 	 	 	 	 	 	 	 	 	 	 	
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IV. RESPONSIBILITIES AND DUTIES											
 	 	 	 	 	 	 	 	 	 	 	

To fulfill its responsibilities and duties the Audit Committee shall:

 	 	 	 	 	 	 	 	 	 	 	
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Documents/Reports Review

 	 	 	 	 	 	 	 	 	 	 	
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- Review and reassess, at least annually, the adequacy of this Charter; and make recommendations to the Board, as contained in this Charter.

 	 	 	 	 	 	 	 	 	 	 	
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- Review with management, and the representatives of the independent accounting firm, the Corporation's annual financial statements; and have a discussion with the independent accountants of the matters required to be discussed by Statement of Auditing Standards No. 61", as amended.

 	 	 	 	 	 	 	 	 	 	 	
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• Review with management, and the representatives of the independent accounting firm, the Corporation's quarterly financial statements and Form 10-Q prior to their filing or prior to the release of earnings, including a discussion with the representatives of the independent accounting firm of the matters to be discussed by SAS No. 61.

 	 	 	 	 	 	 	 	 	 	 	
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Independent Accountants

 	 	 	 	 	 	 	 	 	 	 	
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• The Audit Committee shall directly appoint, retain, compensate, evaluate and terminate the Corporation's independent accounting firm. The Audit Committee shall be directly responsible for the oversight of the independent accounting firm including the resolution of disagreements between management and the independent accounting firm. The Audit Committee has the sole authority to approve all engagements of the independent accounting firm. This does not preclude the Audit Committee from obtaining the input of Company management. The independent accounting firm is accountable to the Audit Committee and ultimately to the entire Board for such accounting services in the preparation of the financial statements of the Corporation. On an annual basis, the Audit Committee shall review and discuss with the representatives of the independent accounting firm all significant relationships the independent accounting firm has with the Corporation to ensure the independence of said firm.

 	 	 	 	 	 	 	 	 	 	 	
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• Oversee independence of the independent accounting firm by:

 	 	 	 	 	 	 	 	 	 	 	
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• receiving from the independent accounting firm, at least annually, a formal written statement delineating all relationships between the independent accounting firm and the Corporation consistent with the Independence Standards Board Standard 1 ("ISB No. 1");

 	 	 	 	 	 	 	 	 	 	 	
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• reviewing, and actively discussing with the Board, if necessary, and the representatives of the independent accounting firm any disclosed relationships or services between such firm and the Corporation or any other disclosed relationships or services that may impair the objectivity and independence of the independent accounting firm; and

 	 	 	 	 	 	 	 	 	 	 	
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• recommending, if necessary, that the Board take certain action to satisfy itself of the auditor's independence.

 	 	 	 	 	 	 	 	 	 	 	
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• Based on the review and discussions referred to in paragraph IV.B. and IV.E. above, the Audit Committee shall determine and recommend to the Board that the Corporation's audited financial statements be included in the Corporation's Annual Report for the last fiscal year for filing with the Securities and Exchange Commission.

 	 	 	 	 	 	 	 	 	 	 	
<u>Financial Reporting Process</u>											
 	 	 	 	 	 	 	 	 	 	 	
<ul style="list-style-type: none"> • In conjunction with the representatives of the independent accounting firm, review the integrity of the Corporation's financial reporting processes, both internal and external. 											
 	 	 	 	 	 	 	 	 	 	 	
<ul style="list-style-type: none"> • Consider and approve, if appropriate, major changes to the Corporation's auditing and accounting principles and practices and management. Discuss with the representatives of the independent accounting firm any significant changes in auditing scope. 											
 	 	 	 	 	 	 	 	 	 	 	
<ul style="list-style-type: none"> • Establish regular systems of reporting to the Audit Committee by each of management and the independent accounting firm regarding significant judgments made in management's preparation of the financial statements and any significant difficulties encountered in the course of the review or audit, including any restriction on the scope of the work or access to required information. 											
 	 	 	 	 	 	 	 	 	 	 	
<ul style="list-style-type: none"> • Review any significant disagreement among management and the independent accounting firm in connection with the preparation of the financial statements. 											
 	 	 	 	 	 	 	 	 	 	 	
<u>Legal Compliance/General</u>											
 	 	 	 	 	 	 	 	 	 	 	
<ul style="list-style-type: none"> • Review, with the Corporation's counsel, any legal matter that could have a significant impact on the Corporation's financial reporting. 											
 	 	 	 	 	 	 	 	 	 	 	
<ul style="list-style-type: none"> • Engage such independent legal counsel and such accounting or other expert advisors as the Audit Committee deems necessary to perform its duties. 											
 	 	 	 	 	 	 	 	 	 	 	
<ul style="list-style-type: none"> • Ensure that a Code of Ethics is formalized in writing and that all employees have knowledge of it. 											
 	 	 	 	 	 	 	 	 	 	 	
<ul style="list-style-type: none"> • Report through its Chairperson to the Board following meetings of the Audit Committee. 											
 	 	 	 	 	 	 	 	 	 	 	

<ul style="list-style-type: none"> ◆ Maintain minutes or other records of meetings and activities of the Audit Committee. 											
 	 	 	 	 	 	 	 	 	 	 	

<ul style="list-style-type: none"> ◆ Establish written procedures for the receipt, retention and treatment of complaints on accounting, internal accounting matters, as well as for the confidential, anonymous submissions by Corporation's employees of concerns regarding qu auditing matters. 											
 	 	 	 	 	 	 	 	 	 	 	

 	 	 	 	 	 	 	 	 	 	 	
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Funding of the Audit Committee

 	 	 	 	 	 	 	 	 	 	 	
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<ul style="list-style-type: none"> • The Audit Committee shall receive appropriate funding, as determined by the Audit Committee, from the Corporation compensation to the Corporation's independent accountants and auditors, (b) compensation to the outside legal, accou advisors employed by the Audit Committee in the fulfillment of its duties, and (c) ordinary administrative expenses of that are necessary or appropriate to carry out its duties. The Audit Committee has sole authority to approve the fees an of such legal, accounting and other expert advisors. 											
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Scope of Responsibilities and Duties

 	 	 	 	 	 	 	 	 	 	 	
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<ul style="list-style-type: none"> • In furtherance, and not in limitation, of the foregoing, the Audit Committee shall be vested with all responsibilities an Rule 10A-3 of the 1934 Act. 											
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<ul style="list-style-type: none"> • While the Audit Committee has the responsibilities and duties set forth in this Charter, it is not the duty of the Audit C conduct audits or to determine that the Corporation's financial statements are complete and accurate and are in accord accepted accounting principles. This is the responsibility of management and the independent accounting firm. 											
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SUPREME INDUSTRIES, INC.

This Proxy is Solicited on Behalf of the Board of Directors

2581 East Kercher Road, Goshen, Indiana 46528

 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	

The undersigned hereby appoints Robert W. Wilson, Herbert M. Gardner and Rice M. Tilley, Jr., as Proxies, each with the power to substitute, and hereby authorizes them, to represent and to vote, as designated on the reverse side, all shares of Class A Common Stock of Supreme Industries, Inc. (the "Company") held of record by the undersigned on March 8, 2004 at the Annual Meeting of Shareholders to be held on March 8, 2004 or at any adjournment thereof.

 	 	 	 	 	 	 	 	 	 	 	
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THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER DIRECTED HEREIN BY THE SHAREHOLDER. IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED "FOR" PROPOSALS 1, 2 AND 3.

 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	

(TO BE SIGNED ON REVERSE SIDE)

 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	

Please sign, date and mail your proxy card in the envelope provided as soon as possible.

 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THE ELECTION OF DIRECTORS AND "FOR" PROPOS.

PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE.

PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE X

 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	
(1) ELECTION OF DIRECTORS:			 	 	 	 	NOMINEES			 	
FOR ALL NOMINEES			 	 	•	 	H. DOUGLAS SCHROCK			 	i
 	 	 	 	 	 	 	RICE M. TILLEY, JR.			 	i
WITHHOLD AUTHORITY			 	 	•	 	MARK C. NEILSON			 	i
FOR ALL NOMINEES	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	
FOR ALL EXCEPT	 	 	 	 	•	 	 	 	 	 	
 						 	 			 	

INSTRUCTION: To withhold authority to vote for any individual nominee(s), mark "**FOR ALL EXCEPT**" and fill in the ci
nominee you wish to withhold, as shown here: l

 	 	 	 	 	 	 	 	 	 	 	
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To change the address on your account, please check the box at right and indicate your new address in the address space above
Please note that changes to the registered name(s) on the account may not be submitted via this method.

 	 	 	 	 	 	 	 	 	 	 	
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 	 	 	 	 	 	 	 	 	FOR	 	AGAIN	
(2) APPROVAL OF 2004 STOCK OPTION PLAN									 	o	 	o
 	 	 	 	 	 	 	 	 	 	 	 	
(3) RATIFICATION OF SELECTION OF CROWE CHIZEK AND COMPANY LLC AS INDEPENDENT AUDITORS.									 	o	 	o
 	 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	 	

Returned proxy forms when properly executed will be voted: (1) as specified on the matters listed above; (2) in accordance with the recommendations where a choice is not specified; and (3) in accordance with the judgment of the proxies on any other matters properly come before the meeting.

 	 	 	 	 	 	 	 	 	 	 	
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PLEASE DATE AND SIGN BELOW AND MAIL PROMPTLY IN THE ENCLOSED ENVELOPE.

Signature of Shareholder _____ Date _____, 2004 Signature of Shareholder _____ Date _____, 2004

NOTE: Please sign exactly as your name or names appear on the Proxy. When shares are held jointly, each holder should sign. If the signer is an executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full name of duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.