

OSHKOSH TRUCK CORP
Form DEF 14A
December 17, 2004

Oshkosh Truck Corporation

December 17, 2004

Dear Fellow Oshkosh Truck Shareholder:

You are cordially invited to attend our Annual Meeting of Shareholders on Tuesday, February 1, 2005 at 10:00 a.m. (Central Standard Time) at the Experimental Aircraft Association Museum, 3000 Poberezny Road, Oshkosh, Wisconsin.

At the Annual Meeting, if you are a holder of Class A Common Stock, we will ask you to elect eight directors and approve an amendment to the Company's Restated Articles of Incorporation that will increase the number of shares of Common Stock and Class A Common Stock that the Company will be authorized to issue.

At the Annual Meeting, if you are a holder of Common Stock, we will ask you to elect three directors and approve an amendment to the Company's Restated Articles of Incorporation that will increase the number of shares of Common Stock and Class A Common Stock that the Company will be authorized to issue.

We also will review the progress of the Company during the past year and answer your questions.

This booklet includes the Notice of Annual Meeting and Proxy Statement. The Proxy Statement describes the business that we will conduct at the Annual Meeting. It also provides information about the Company that you should consider when you vote your shares.

It is important that your stock be represented at the Annual Meeting. Whether or not you plan to attend the Annual Meeting in person, we hope that you will vote on the matters to be considered by completing and mailing the enclosed proxy card(s) in the return envelope.

Sincerely,

Robert G. Bohn
Chairman, President and Chief Executive Officer

Bryan J. Blankfield
Executive Vice President, General Counsel
and Secretary

Oshkosh Truck Corporation

December 17, 2004

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

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The 2005 Annual Meeting of Shareholders of Oshkosh Truck Corporation will be held in the Vette Theater of the Experimental Aircraft Association Museum, 3000 Poberezny Road, Oshkosh, Wisconsin 54903, on Tuesday, February 1, 2005 at 10:00 a.m. (Central Standard Time) for the following purposes:

1. To elect the Board of Directors;
2. To approve an amendment to the Company's Restated Articles of Incorporation that will increase the number of shares of Common Stock and Class A Common Stock that the Company is authorized to issue; and
3. To consider and act upon such other business as may properly come before the Annual Meeting.

Shareholders of record at the close of business on December 8, 2004 are entitled to vote at the Annual Meeting. A copy of the Annual Report of the Company for the fiscal year ended September 30, 2004 and a Proxy Statement accompany this Notice.

Please complete and mail the enclosed proxy card(s) to us in the return envelope that we have provided. No postage is required if mailed in the United States. Mailing us your proxy card will not limit your right to vote in person or to attend the Annual Meeting.

By Order of the Board of Directors,

Bryan J. Blankfield
Executive Vice President, General Counsel
and Secretary
Oshkosh Truck Corporation
2307 Oregon Street
Oshkosh, WI 54903-2566

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PROXY STATEMENT

Oshkosh Truck Corporation (referred to in this Proxy Statement as *we* or the *Company*) is mailing this Proxy Statement in connection with the solicitation by the Board of Directors of proxies to be voted at the 2005 Annual Meeting of Shareholders.

We are mailing this Proxy Statement, proxy card(s) and our 2004 Annual Report to Shareholders beginning on or about December 17, 2004. Although the Annual Report to Shareholders is being mailed with the Proxy Statement, it is not a part of the proxy soliciting material.

VOTING PROCEDURES

Who Can Vote

The Company has two classes of voting stock: Class A Common Stock and Common Stock. If you were the record owner of shares of either class of stock on December 8, 2004, the record date for voting at the Annual Meeting, then you are entitled to vote at the Annual Meeting. On the record date, 805,177 shares of Class A Common Stock were entitled to vote and 35,455,470 shares of Common Stock were entitled to vote.

Determining the Number of Votes You Have

Your proxy card(s) indicates the number of shares of each class of stock that you own. Each share of Class A Common Stock and each share of Common Stock has one vote.

How to Vote

You can vote your shares in two ways: either by using the enclosed proxy card(s) or by voting in person at the Annual Meeting by written ballot. We explain each of these procedures more fully below. Even if you plan to attend the Annual Meeting, the Board of Directors recommends that you vote by proxy.

Voting by Proxy

To vote your shares by proxy, please complete the enclosed proxy card(s) and return them to us before the Annual Meeting. We will vote your shares as you direct on your proxy card. For the election of directors, you can specify on your card whether your shares should be voted for all, some or none of the nominees for director listed on the card. With respect to the proposal to amend the Company's Restated Articles of Incorporation, you may vote *for* or *against* or may abstain.

If you sign and return the proxy card, but do not specify how to vote, then we will vote your shares in favor of our nominees for directors and in favor of the proposed amendment to the Company's Restated Articles of Incorporation. If any other matters are properly presented at the Annual

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Meeting for consideration, then the Company officers named on your proxy card will have discretion to vote for you on those matters. As of the date of this Proxy Statement, we knew of no other matters to be presented at the Annual Meeting.

Voting at the Annual Meeting

Written ballots will be available from the Company's Secretary at the Annual Meeting. If your shares are held in the name of a bank, broker or other holder of record, then you must obtain a proxy, executed in your favor, from the holder of record for you to vote your shares at the Annual Meeting. Voting by proxy will not limit your right to vote at the Annual Meeting if you decide to attend in person. However, if you do send in your proxy card, and also attend the Annual Meeting, then there is no need to vote again unless you wish to change your vote.

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Revocation of Proxies

You can revoke your proxy at any time before it is exercised at the Annual Meeting by doing any of the following: (1) you can deliver a valid proxy with a later date; (2) you can notify the Company's Secretary in writing at the address on the Notice that you have revoked your proxy; or (3) you can vote in person by written ballot at the Annual Meeting.

Quorum

To carry on the business of the Annual Meeting, a minimum number of shares of both classes of common stock, constituting a quorum, must be present. The quorum for the Annual Meeting is a majority of the votes represented by the outstanding shares of each class of our common stock. This majority may be present in person or by proxy. Abstentions and broker non-votes (when a broker has delivered a proxy that does not have authority to vote on the proposal in question) are counted as present in determining whether or not there is a quorum.

Required Vote

Proposal 1: Election of Directors. The three nominees for Common Stock directors who receive the most votes of all votes cast for Common Stock directors will be elected. The eight nominees for Class A Common Stock directors who receive the most votes of all votes cast for Class A Common Stock directors will be elected. This ratio of and classification of director nominees is required by the Company's Restated Articles of Incorporation, which provide that holders of shares of Common Stock have the right to elect as a class 25% of the entire Board of Directors of the Company. If you do not vote for a particular nominee, or if you indicate that you want to withhold authority to vote for a particular nominee on your proxy card, then your vote will not count for the nominee. Broker non-votes also will not count for nominees. Pursuant to the Company's By-laws, written notice of qualifying nominations by shareholders for election to the Board must have been received by the Secretary by November 3, 2004. The Company did not receive any other such nominations and no other nominations for election to the Board may be made by shareholders at the Annual Meeting.

If any director nominee decides that he or she does not want to stand for this election, the persons named as proxies in your Proxy Card will vote for substitute nominees. As of the date of this Proxy Statement, we knew of no nominee who did not intend to stand for election.

Proposal 2: Amendment to the Restated Articles of Incorporation. As required under Wisconsin law, the holders of Common Stock and Class A Common Stock will each vote separately as a class on the amendment to the Restated Articles of Incorporation to increase the number of shares of Common Stock and Class A Common Stock that the Company is authorized to issue. To approve this proposal, the number of votes cast in favor of the proposal by each class must exceed the number of votes cast in opposition to it by each class. Abstentions and broker non-votes do not constitute a vote for or against the proposal and will be disregarded in the calculations of votes cast.

Voting by Employees Participating in the Oshkosh Truck Employee Stock Purchase Plan

If you are an employee of the Company or one of its subsidiaries and participate in the Company's Employee Stock Purchase Plan, your proxy card will indicate the aggregate number of shares of Common Stock credited to your account under that Plan as of December 8, 2004, the record date for voting at the Annual Meeting. If you sign and return the card on time, then your shares will be voted as you have directed.

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GOVERNANCE OF THE COMPANY**The Board of Directors**

Currently, the Board is comprised of eleven directors. Ten of the directors are not employees of the Company, although J. Peter Mosling, Jr. and Stephen P. Mosling were employees and officers of the Company until their retirement in 1994. Robert G. Bohn, who is the Chairman, President and Chief Executive Officer of the Company, also is a director. The Board of Directors has determined that each of the ten non-employee directors does not have a material relationship with the Company and is independent under New York Stock Exchange (NYSE) listing standards. The Board has adopted standards for determining independence of directors. Under these standards, a director must not have any material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company). In addition, a director is not independent if: (i) the director is, or has been within the last three years, an employee of the Company, or an immediate family member is, or has been within the last three years, an executive officer of the Company; (ii) the director has received, or has an immediate family member who has received, during any twelve-month period within the last three years, more than \$100,000 in direct compensation from the Company, other than director and Committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service); (iii) (a) the director or an immediate family member is a current partner of a firm that is the Company's internal or independent auditors; (b) the director is a current employee of such a firm; (c) the director has an immediate family member who is a current employee of such a firm and who participates in the firm's audit, assurance or tax compliance (but not tax planning) practice; or (d) the director or an immediate family member was within the last three years (but is no longer) a partner or employee of such a firm and personally worked on the Company's audit within that time; (iv) the director or an immediate family member is, or has been within the last three years, employed as an executive officer of another company where any of the Company's present executive officers at the same time serves or served on that company's compensation committee; or (v) the director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million, or 2% of such other company's consolidated gross revenues. In making its determination of independence, the Board found that none of the ten non-employee directors had any of these relationships and found each of the directors to be independent.

The Board of Directors met five times during fiscal 2004. No director attended less than 80%, and on average, all directors attended 98%, of the meetings of the Board and the Committees held during the periods in which they served as directors in fiscal 2004. The Board of Directors has a policy that directors should attend the Company's Annual Meeting of Shareholders. All of the directors attended the Company's 2004 Annual Meeting of Shareholders.

The Company's non-management directors, all of whom are independent directors, meet in executive sessions, without the presence of the Company's officers, on at least two occasions each year. The Chair of the Governance Committee presides over executive meetings of the non-management directors. If a shareholder wishes to communicate with the Board of Directors, the shareholder may send correspondence to the Corporate Secretary, Oshkosh Truck Corporation, 2307 Oregon Street, P.O. Box 2566, Oshkosh, Wisconsin 54903-2566. The Corporate Secretary will submit the shareholder's correspondence to the Board or the appropriate Committee as applicable. Shareholders or other interested parties may communicate directly with the presiding non-management director of the Board by sending correspondence to Presiding Director, Board of Directors, c/o Corporate Secretary, Oshkosh Truck Corporation, 2307 Oregon Street, P.O. Box 2566, Oshkosh, Wisconsin 54903-2566.

The name, age, principal occupation and length of service of each nominee for election to the Board, together with certain other biographical information, is set forth below.

Nominees for Holders of Class A Common Stock

<u>Name</u>	<u>Age</u>	<u>Office, if any, Held in the Company</u>
J. William Andersen	66	
Robert G. Bohn	51	Chairman, President and Chief Executive Officer
Frederick M. Franks, Jr.	68	
Michael W. Grebe	64	
Kathleen J. Hempel	54	
Harvey N. Medvin	68	
J. Peter Mosling, Jr.	60	
Stephen P. Mosling	58	

Nominees for Holders of Common Stock

<u>Name</u>	<u>Age</u>	<u>Office, if any, Held in the Company</u>
Richard M. Donnelly	61	
Donald V. Fites	70	
Richard G. Sim	60	

J. WILLIAM ANDERSEN Mr. Andersen has served as a director of the Company since 1976 and had been the Executive Director of Development, University of Wisconsin-Oshkosh from 1980 through his retirement in 1994.

ROBERT G. BOHN Mr. Bohn joined the Company in 1992 as Vice President-Operations. He was appointed President and Chief Operating Officer in 1994. He was appointed President and Chief Executive Officer in October 1997, and Chairman of the Board of Directors in January 2000. Prior to joining the Company, Mr. Bohn held various executive positions with Johnson Controls, Inc. from 1984 until 1992. He has served as a director of the Company since June 1995 and is also a director of Graco, Inc.

RICHARD M. DONNELLY Mr. Donnelly has served as a director of the Company since 2001. From 1961 until his retirement in 1999, he held various positions with General Motors Corporation, a manufacturer of motor vehicles, including most recently as President and Group Executive of General Motors, Europe, a division of General Motors. Mr. Donnelly is an Industrial Partner in Ripplewood Holdings LLC, a private equity investment firm located in New York, New York, where he is responsible for its global automotive supply business. He is also a director of BNS Company; Capstone Turbine Corporation; Honsel International Technologies; and Asahi Tec Corporation.

DONALD V. FITES Mr. Fites has served as a director of the Company since 2000. He was the Chairman and Chief Executive Officer of Caterpillar, Inc., a manufacturer of heavy machinery, from 1990 until his retirement in January 1999 and was a member of its board of directors from 1986 until June 2000. Mr. Fites is also a director of AK Steel Holding Corporation; Georgia-Pacific Corporation; Unitrin, Inc.; and Wolverine World Wide, Incorporated.

FREDERICK M. FRANKS, JR. Mr. Franks has served as a director of the Company since 1997. He was the Commander of the U.S. Army Training and Doctrine Command from 1991 to 1994 and commanded the U.S. Army VII Corps during Operation Desert Storm. He retired from the Army in 1994. Mr. Franks is a self-employed defense consultant and co-author of *Into the Storm, A Study in Command* with Tom Clancy. Mr. Franks is also a Commissioner of the American Battle Monuments Commission and is President of the Amputee Board of Advisors at Walter Reed Army Medical Center.

MICHAEL W. GREBE Mr. Grebe has served as a director of the Company since 1990. He was a partner in the law firm of Foley & Lardner in Milwaukee from 1977 until his retirement in June 2002. Mr. Grebe has served since May 2002 as President and Chief Executive Officer of the Lynde and Harry Bradley Foundation, a private foundation based in Milwaukee. Mr. Grebe is also a director of the Lynde and Harry Bradley Foundation; Church Mutual Insurance Company; and the Milwaukee Brewers Baseball Club. Mr. Grebe is also a director of the Philanthropy Roundtable, a non-profit organization.

KATHLEEN J. HEMPEL Ms. Hempel has served as a director of the Company since 1997. She was Vice Chairman and Chief Financial Officer of Fort Howard Corporation, which manufactured paper and paper products, from 1992 until its merger into Fort James Corporation in 1997. She is a director of Actuant Corporation; Kennametal, Inc.; and Whirlpool Corporation.

HARVEY N. MEDVIN Mr. Medvin has served as a director of the Company since September 2004. Upon the recommendation of the Governance Committee, the Board appointed him to fill a vacancy following a search performed by a third party search firm at the direction of the Governance Committee. Mr. Medvin was Executive Vice President and Chief Financial Officer of Aon Corporation (and its corporate predecessor), a provider of risk management services and insurance brokerage, from 1982 until his retirement in April 2003. He is a director of LaSalle Bank Corporation and its subsidiaries, LaSalle Bank, N.A. and Standard Federal Bank N.A. Mr. Medvin is also the director of two non-profit organizations: Evanston Northwestern Health Care and Ravinia Festival.

J. PETER MOSLING, JR. Mr. Mosling has served as a director of the Company since 1976, having joined the Company in 1969. He served in various senior executive capacities during his employment with the Company through his retirement in 1994.

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STEPHEN P. MOSLING Mr. Mosling has served as a director of the Company since 1976, having joined the Company in 1971. He served in various senior executive capacities during his employment with the Company through his retirement in 1994.

RICHARD G. SIM Mr. Sim has served as a director of the Company since 1997. From August 1998 until April 2003, he was Chairman, President and Chief Executive Officer of APW, Ltd., an electronic contract manufacturer. During 2002, APW, Ltd. completed a recapitalization of its balance sheet by filing in May 2002 a voluntary petition for reorganization under Chapter 11 of the United States Bankruptcy Code. Mr. Sim served as Chairman and a member of the board of directors of Actuant Corporation, a manufacturer of hydraulic equipment, from 1987 until January 2002. He is a director of IPSCO, Inc. and Fiskars Brands, Inc., a wholly-owned North American based subsidiary of Fiskars Corporation.

J. Peter Mosling, Jr. and Stephen P. Mosling are brothers. Other than as noted, none of the Company's directors or executive officers has any family relationship with any other director or executive officer.

Committees of the Board of Directors

The Board of Directors has four standing Committees: the Audit Committee, the Executive Committee, the Governance Committee and the Human Resources Committee. The members and responsibilities of these Committees as of the date of this Proxy Statement are set forth below.

*Committee Membership (*Indicates Chair)*

Audit Committee

J. William Andersen
Michael W. Grebe
Harvey N. Medvin
Richard G. Sim*

Governance Committee

Richard M. Donnelly
Frederick M. Franks, Jr.
Michael W. Grebe*
J. Peter Mosling, Jr.
Stephen P. Mosling

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Executive Committee

Robert G. Bohn*
Michael W. Grebe
Kathleen J. Hempel
Richard G. Sim

Human Resources Committee

Donald V. Fites
Frederick M. Franks, Jr.
Kathleen J. Hempel*

Audit Committee

The Audit Committee oversees the fulfillment by management of its financial reporting and disclosure responsibilities and its maintenance of an appropriate internal control system. It assists Board oversight of the integrity of the Company's financial statements, the Company's compliance with legal and regulatory requirements and the Company's independent registered public accounting firm's qualifications and independence. The Audit Committee is responsible for the appointment, compensation, retention and oversight of the work of the Company's independent registered public accounting firm, which reports directly to the Audit Committee. It oversees the activities of the Company's internal audit function, which currently is provided under contract by Ernst & Young, LLP. The Audit Committee has a charter that specifies its responsibilities and the Audit Committee believes it fulfills its charter. All members of the Audit Committee are independent directors as defined under NYSE listing standards and Securities and Exchange Commission (SEC) rules. All members of the Audit Committee are financially literate under the applicable NYSE listing standards. The Board of Directors has determined that Richard G. Sim is an audit committee financial expert as defined under SEC rules.

The Audit Committee met eight times during fiscal 2004. The Company's independent registered public accounting firm and internal auditors meet with the Audit Committee with and without representatives of management present. See Report of the Audit Committee on page 8.

Executive Committee

The Executive Committee exercises certain delegated powers and authority to act when a decision is essential and it is not possible to convene a meeting of the full Board in a timely manner. Actions of the Executive Committee require unanimous consent of all members and do not require ratification by the Board, but may be amended, rescinded or revoked by the Board. The Executive Committee did not meet during fiscal 2004. With the exception of Mr. Bohn, the members of the Executive Committee are independent directors as defined under NYSE listing standards.

Governance Committee

The Governance Committee identifies individuals qualified to become Board members and recommends nominees to the Board for election as directors. It also oversees the evaluation of the performance of the Board, makes recommendations to the Board regarding Board and Committee structure, including Committee charters and corporate governance, and is responsible for conducting an annual Board self-evaluation. The Governance Committee has developed, and the Board adopted, a set of corporate governance guidelines applicable to the Company. The Governance Committee met two times during fiscal 2004. All members of the Governance Committee are independent directors as defined under NYSE listing standards and SEC rules.

The Governance Committee will consider candidates for nomination as a director recommended by shareholders, directors, officers, third party search firms and other sources. In evaluating candidates, the Governance Committee considers attributes of the candidate (including strength of character, mature judgment, career specialization, relevant technical skills or financial acumen, diversity of viewpoint and industry knowledge) and the needs of the Board. However, the Board and the Governance Committee believe the following minimum qualifications must be met by a director candidate to be recommended as a director nominee by the Committee: (i) each director nominee must display the highest personal and professional ethics, integrity and values;

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(ii) each director nominee must have the ability to make independent analytical inquiries and to exercise sound business judgment; (iii) each director nominee must have relevant expertise and experience and an understanding of the Company's business environment and be able to offer advice and guidance to the Board and the Company's executives based on that expertise, experience and understanding; (iv) director nominees generally should be active or former chief or other senior executive officers of public companies or leaders of major complex organizations, including commercial, scientific, government, educational and other non-profit institutions; (v) each director nominee must be independent of any particular constituency, be able to represent all shareholders of the Company and be committed to enhancing long-term shareholder value; (vi) each director nominee must have sufficient time available to devote to activities of the Board and to enhance his or her knowledge of the Company's business; and (vii) a director nominee may not have attained the age of 72. The Board and the Governance Committee also believe that at least one director should have the requisite experience and expertise to be designated as an audit committee financial expert as defined by applicable rules of the SEC.

The Governance Committee will review all candidates in the same manner, regardless of the source of the recommendation. The Governance Committee will consider individuals recommended by shareholders for nomination as a director for available seats of the Board if the shareholder complies with the procedures described under Other Matters. The Company's By-Laws require that shareholders give advance notice and furnish certain information to the Company to nominate a person for election as a director.

Human Resources Committee

The Human Resources Committee oversees the organizational, personnel, compensation and benefits policies and practices of the Company. It establishes the compensation of executive officers. It also administers the 1990 Incentive Stock Plan, the 2004 Incentive Stock and Awards Plan and other executive benefit plans. The Human Resources Committee met four times in fiscal 2004. All members of the Human Resources Committee are independent directors as defined under NYSE listing standards.

Corporate Governance Documents

The Company makes its Corporate Governance Guidelines and the written charters of the Audit Committee, the Governance Committee and the Human Resources Committee of the Company's Board of Directors available, free of charge, on its website at www.oshkoshtruckcorporation.com, and such information is available in print to any shareholder who requests it from the Company's Secretary.

The Company has adopted the Oshkosh Truck Corporation Code of Ethics for Directors and Senior Officers that applies to the Company's Directors, the Company's Chairman of the Board, President and Chief Executive Officer, the Company's Executive Vice President and Chief Financial Officer, the Company's Vice President and Controller and other persons performing similar functions. The Company has also adopted a

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Code of Ethics and Standards of Conduct that apply to all employees of the Company. The Company makes both of such Codes available on its website at www.oshkoshtruckcorporation.com, and each such Code is available in print to any shareholder who requests it from the Company's Secretary.

The Company is not including the information contained on its website as part of, or incorporating it by reference into, this Proxy Statement.

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Compensation of Directors

In fiscal 2004, each non-employee director received the following compensation:

Annual Fee	\$27,000
Board and Committee Meeting Fees, per meeting	\$ 1,000
Audit, Executive, Governance and Human Resources Committee Chairperson Fees	\$ 4,000
Stock Option Grants	Options to purchase 5,400 shares of Common Stock which vest in three equal installments of 1,800 shares annually, beginning one year after the grant date.
Expenses	Reimbursements of reasonable travel and related expenses incurred in attending Board and Committee meetings as well as continuing education programs.

Mr. Bohn did not receive any compensation or fees for serving on the Board of Directors or any Board Committee.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee of the Board of Directors is responsible for providing independent, objective oversight of the Company's financial reporting and disclosure responsibilities, accounting functions and internal controls. The Audit Committee acts under a written charter, which was amended in fiscal 2004 to incorporate new requirements required by new SEC rules and NYSE listing standards, the first version of which was adopted and approved by the Board of Directors in 1997. A copy of the amended charter of the Audit Committee is attached to this Proxy Statement as Appendix A. Each of the members of the Audit Committee is independent as defined by the NYSE's listing standards and SEC rules.

Audit and Non-Audit Fees

The following table presents fees for professional audit services rendered by Deloitte & Touche LLP for the audit of the Company's annual financial statements for the fiscal years ended September 30, 2004 and September 30, 2003 and fees billed for other services rendered by Deloitte & Touche LLP during those periods.

	2004	2003
Audit fees(1)	\$594,912	\$403,100
Audit-related fees (2)	264,064	115,852
Tax fees	0	0
All other fees	0	0
Total	\$858,976	\$518,952

(1) Audit fees consisted principally of audit work performed on the annual consolidated financial statements and reviews of financial statements included in the Company's Forms 10-Q.

(2) Audit-related fees consisted principally of audits of benefit plans and statutory audits, accounting and reporting services, due diligence associated with mergers and acquisitions, and services related to compliance with the Sarbanes-Oxley Act of 2002.

Pre-approval of Services by the Independent Registered Public Accounting Firm

The Audit Committee has adopted a policy for pre-approval of audit and permitted non-audit services by the Company's independent registered public accounting firm. The Audit Committee will consider annually and if, appropriate, approve the provision of audit services by its independent registered public accounting firm and consider and, if appropriate, pre-approve the provision of certain defined audit and non-audit services. The Audit Committee will also consider on a case-by-case basis and, if appropriate, approve specific engagements that are not otherwise pre-approved.

Any proposed engagement that does not fit within the definition of a pre-approved service may be presented to the Audit Committee for consideration at its next regular meeting or if earlier consideration is required, to the Audit Committee or one or more of its members. The member or members to whom such authority is delegated shall report any specific approval of services at its next regular meeting. The Audit Committee will regularly review summary reports detailing all services being provided to the Company by its independent registered public accounting firm.

The Audit Committee pre-approved the provision of all of the non-audit services described above and has considered and determined that the provision of such non-audit services is compatible with maintaining the independence of Deloitte & Touche LLP.

The Audit Committee reviews the Company's financial reporting process on behalf of the Board of Directors. In fulfilling its responsibilities, the Audit Committee has reviewed and discussed the audited financial statements contained in the Annual Report on Form 10-K for the fiscal year ended September 30, 2004 with the Company's management and independent registered public accounting firm. Management is responsible for the financial statements and the reporting process, including the system of internal control. The independent registered public accounting firm is responsible for expressing an opinion on the conformity of those audited financial statements with accounting principles generally accepted in the United States.

The Audit Committee discussed with the independent registered public accounting firm matters required to be discussed by Statement on Auditing Standards No. 61, *Communication with Audit Committees*, as amended, and Rule 2-07 of SEC Regulation S-X. In addition, the Company's independent registered public accounting firm provided to the Audit Committee the written disclosures required by the Independence Standards Board Standard No. 1, *Independence Discussions with Audit Committees*, and the Audit Committee discussed with the independent registered public accounting firm their independence.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors (and the Board approved) that the Company's audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2004, for filing with the SEC.

AUDIT COMMITTEE

Richard G. Sim, Chair
J. William Andersen
Michael W. Grebe
Harvey N. Medvin

STOCK OWNERSHIP

Stock Ownership of Directors, Executive Officers and Other Large Shareholders

The following table shows the beneficial ownership of Class A Common Stock and Common Stock of each director, each Named Officer appearing in the Summary Compensation Table on page 13, each other shareholder owning more than 5% of either class of our outstanding common stock and the directors and executive officers (including the Named Officers) as a group.

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Beneficial Ownership means more than ownership as that term commonly is used. For example, a person beneficially owns stock if he or she owns it in his or her name or if he or she has (or shares) the power to vote or sell the stock as trustee of a trust. Beneficial ownership also includes shares the directors and executive officers have a right to acquire within 60 days after November 30, 2004 as, for example, through the exercise of a stock option.

Information about Common Stock ownership is as of November 30, 2004. At the close of business on November 30, 2004, there were 805,177 shares of Class A Common Stock and 35,455,470 shares of Common Stock outstanding. Unless stated otherwise in the footnotes to the table, each person named in the table owns his or her shares directly and has sole voting and investment power over such shares.

	Class A		Common	
	Shares	Percent of Class	Shares	Percent of Class
J. William Andersen (3)(4)	0	*	21,000	*
Bryan J. Blankfield (3)(5)	0	*	31,925	*
Robert G. Bohn (3)(6)	0	*	197,200	*
Richard M. Donnelly (3)	0	*	8,600	*
Donald V. Fites (3)	0	*	22,238	*
Frederick M. Franks, Jr. (3)(7)	0	*	30,892	*
Michael W. Grebe (3)	0	*	39,000	*
Kathleen J. Hempel (3)	0	*	33,000	*
Harvey N. Medvin	0	*	93	*
J. Peter Mosling, Jr. (2)(3)	359,438	44.64%	24,000	*
Stephen P. Mosling (1)(2)(3)	362,676	45.04%	363,632	1.02%
John W. Randjelovic (3)	0	*	131,118	*
Richard G. Sim (3)	0	*	30,000	*
Charles L. Szews (3)(8)	0	*	233,375	*
Matthew J. Zolnowski (3)	0	*	71,376	*
All Directors and executive officers as a Group (20 persons) (3)(9)	722,114	89.68%	1,471,474	4.07%
T. Rowe Price Associates, Inc. (10)	0	*	4,279,500	12.07%
Barclays Global Investors, NA (11)	0	*	2,236,828	6.31%
Franklin Resources, Inc. (12)	0	*	1,873,700	5.28%

* The amount shown is less than 1% of the outstanding shares of such class.

(1) Amounts shown include 132,032 shares of Common Stock held by Stephen P. Mosling as trustee of a trust for the benefit of a related party.

(2) J. Peter Mosling, Jr. and Stephen P. Mosling are parties to an agreement relating to Class A Common Stock. Under the agreement, Messrs. Mosling each have agreed with the Company that, in the event of their deaths or earlier incapacities, together their shares of Class A Common Stock then will be exchanged for a like number of shares of Common Stock. Were that to occur, a consequence would be the automatic conversion, pursuant to the Company's Restated Articles of Incorporation, of all outstanding shares of Class A Common Stock on a share for share basis for shares of Common Stock.

(3) Amounts shown include 17,000 shares of Common Stock for J. William Andersen, 27,449 shares of Common Stock for Bryan J. Blankfield, 6,000 shares of Common Stock for Richard M. Donnelly, 12,000 shares of Common Stock for Donald V. Fites, 30,000 shares of Common Stock for Frederick M. Franks, Jr., 36,000 shares of Common Stock for Michael W. Grebe, 30,000 shares of Common Stock for Kathleen J. Hempel, 24,000 shares of Common Stock for J. Peter Mosling, Jr., 24,000 shares of Common Stock for Stephen P. Mosling, 94,166 shares of Common Stock for John

W. Randjelovic, 30,000 shares of Common Stock for Richard G. Sim, 158,333 shares of Common Stock for Charles L. Szews, 24,166 shares of Common Stock for Matthew J. Zolnowski and 692,496 shares of Common Stock for directors and executive officers as a group that such persons have the right to acquire pursuant to stock options exercisable within 60 days of November 30, 2004. Amounts also include 100,000 shares of restricted Common Stock for Mr. Bohn and 40,000 shares of restricted Common Stock for Mr. Szews, which are subject to forfeiture until they vest on September 16, 2008. Amounts also include shares of restricted Common Stock which vest in three equal installments annually beginning one year after the grant date in the following amounts to the following officers listed in the table: 3,200 shares of restricted Common Stock for Bryan J. Blankfield, 25,000 shares of restricted Common Stock for Robert G. Bohn, 3,200 shares of restricted Common Stock for John W. Randjelovic, 7,000 shares of restricted Common Stock for Charles L. Szews, 3,200 shares of restricted Common Stock for Matthew J. Zolnowski and 196,600 shares of restricted Common Stock for directors and executive officers as a group.

- (4) Amounts shown do not include 270 shares of Class A Common Stock owned by Dulce W. Andersen, Mr. Andersen's wife, as to which he disclaims beneficial ownership.
- (5) Amounts shown include 750 shares of Common Stock as to which ownership is shared with Rebecca R. Blankfield, Mr. Blankfield's wife.
- (6) Amounts shown do not include 26,162 shares of Common Stock owned by Joyce M. Bohn, Mr. Bohn's wife, as to which he disclaims beneficial ownership.
- (7) Amounts shown include 648 shares of Common Stock as to which ownership is shared with Denise Franks, Mr. Frank's wife.
- (8) Amounts shown include 4,600 shares of Common Stock as to which ownership is shared with Rochelle Szews, Mr. Szews' wife.
- (9) In determining the aggregate beneficial ownership of shares of Common Stock for all directors and executive officers as a group, shares that are beneficially owned by more than one director have been counted only once to avoid overstatement.
- (10) Amount shown is as described in the Schedule 13G T. Rowe Price Associates, Inc. filed with the SEC on February 10, 2004. T. Rowe Price Associates, Inc. is located at 100 E. Pratt Street, Baltimore, Maryland 21202.
- (11) Amount shown is as described in the Schedule 13G Barclays Global Investors, NA filed with the SEC on February 17, 2004. Barclays Global Investors, NA is located at 45 Fremont Street, San Francisco, California 94105.
- (12) Amount shown is as described in the Schedule 13G Franklin Resources, Inc. filed with the SEC on February 13, 2004. Franklin Resources, Inc. is located at One Franklin Parkway, San Mateo, California 94403.

Section 16(a) Beneficial Ownership Reporting Compliance

The Securities and Exchange Act of 1934 requires the Company's directors, executive officers, controller and any persons owning more than 10% of a class of the Company's stock to file reports with the SEC regarding their ownership of the Company's stock and any changes in such ownership. Based upon our review of copies of these reports and certifications given to us by such persons, we believe that the executive officers and directors of the Company have complied with their filing requirements for fiscal 2004 except that the Company untimely filed four Form 4s reporting one transaction each on behalf of Mr. Bohn, Mr. Fites, Mr. Ted Henson, and Mr. Mark Meaders. All such Forms have been filed prior to the date of the Proxy Statement.

STOCK PRICE PERFORMANCE GRAPH

The graph and table that follow compare cumulative total shareholder returns on our Common Stock against the cumulative total return of the stocks of: (1) the S&P SmallCap 600 Market Index and (2) the companies currently in the Standard Industry Classification Code 371 Index (motor vehicles and equipment) (the SIC Code 371 Index).

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The comparisons assume that \$100 was invested on September 30, 1999 in each of: our Common Stock, the S&P SmallCap 600 Market Index and the SIC Code 371 Index. The total return assumes reinvestment of dividends and is adjusted for stock splits. The fiscal 2004 return listed in the charts below is based on closing prices per share on September 30, 2004. On that date, the closing price for our Common Stock was \$57.06.

	1999	2000	2001	2002	2003	2004
Oshkosh Truck Corporation	\$ 100.00	\$ 147.14	\$ 138.73	\$ 217.50	\$ 307.36	\$ 444.99
S&P SmallCap 600 Market Index	\$ 100.00	\$ 124.17	\$ 110.99	\$ 109.00	\$ 138.28	\$ 172.26
SIC Code 371 Index	\$ 100.00	\$ 86.22	\$ 66.50	\$ 57.11	\$ 70.89	\$ 105.96

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EXECUTIVE COMPENSATION

Summary Compensation Table

The following table shows the compensation of the Chief Executive Officer and the other four most highly compensated executive officers of the Company serving as executive officers at September 30, 2004 (collectively, the **Named Officers**), for fiscal 2004, 2003 and 2002.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Annual Compensation		Long-Term Compensation Awards		
		Salary (\$)	Bonus (\$)	Restricted Stock Awards (\$)(1)	Stock Options (#)	All Other Compensation (\$)(2)
Robert G. Bohn	2004	840,000	1,512,000	1,413,500	61,000	2,750
Chairman, President and Chief Executive Officer	2003	780,000	1,170,000		180,000	2,750
	2002	710,000	1,065,000	2,938,000	200,000	2,750
	Charles L. Szews	2004	410,000	451,000	395,780	17,000
Executive Vice President and Chief Financial Officer	2003	380,730	418,803		55,000	2,750
	2002	343,000	308,700	1,175,200	60,000	2,750
Bryan J. Blankfield	2004	290,000	261,000	180,928	7,300	2,750
Executive Vice President, General Counsel and Secretary (3)	2003	270,000	243,000		22,500	11,671
	2002	73,846	71,021		30,000	79,484
Matthew J. Zolnowski Executive Vice President, Chief Administration Officer	2004	280,750	252,000	180,928	7,300	2,750
John W. Randjelovic Executive Vice President and President, Pierce Manufacturing Inc.	2003	264,870	238,383		22,500	2,750
	2002	243,000	218,700		25,000	2,750
John W. Randjelovic Executive Vice President and President, Pierce Manufacturing Inc.	2004	275,000	227,618	180,928	7,300	2,615
	2003	254,975	198,473		22,500	2,044
Pierce Manufacturing Inc.	2002	235,000	175,663		25,000	1,869

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(1) The amounts for fiscal 2004 represent the market value based on the closing price of the Common Stock on the grant date. The awards vest in three equal installments annually, beginning one year after the date of grant. The Company made no restricted Common Stock awards to the named executive officers during fiscal 2003, and, except for Mr. Bohn and Mr. Szews, in fiscal 2002. The amounts for Mr. Bohn and Mr. Szews for fiscal 2002 represent the market value based on the closing price of the Common Stock on the grant date. The shares of restricted Common Stock granted in fiscal 2002 vest after a six year retention period. Holders of restricted Common Stock are entitled to receive all dividends on such shares of restricted Common Stock prior to vesting. As of September 30, 2004, the total number of shares of restricted Common Stock and their market value (based on the closing market price on that date) held by each named executive officer were as follows: Mr. Bohn 125,000 shares (\$7,132,500), Mr. Szews 47,000 shares (\$2,681,820), Mr. Blankfield 3,200 shares (\$182,592), Mr. Zolnowski 3,200 shares (\$182,592), and Mr. Randjelovic 3,200 shares (\$182,592).

(2) For all Named Officers, the amounts reflected for 2004 consist of Company matching contributions under the Oshkosh Truck Corporation and Affiliates Tax Deferred Investment Plan, which is a savings plan under Section 401(k) of the Internal Revenue Code.

(3) Mr. Blankfield commenced his employment with the Company on June 3, 2002.

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Stock Options

The Company has in effect the Oshkosh Truck Corporation 2004 Incentive Stock and Awards Plan (the 2004 Plan). The following table shows information about stock options granted under the 2004 Plan to the Named Officers in fiscal 2004. At the Company's 2004 Annual Meeting of Shareholders, a majority of shareholders of Class A Common Stock approved the 2004 Plan. Prior to that, the Company granted stock options to the Named Officers under the Oshkosh Truck Corporation 1990 Incentive Stock Plan, as amended (the 1990 Plan). The 1990 Plan remains in effect.

Option Grants in 2004 Fiscal Year

Name	Individual Grants				Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Ten-Year Grant Term (2)	
	Options Granted (#)(1)	Percent of Total Options Granted to Employees in Fiscal Year	Exercise or Base Price (\$/Share)	Expiration Date	At 5% Annual Growth Rate (\$)	At 10% Annual Growth Rate (\$)
Robert G. Bohn	61,000	39.28%	56.54	10/14/2014	2,169,020	5,496,722
Charles L. Szews	17,000	10.95%	56.54	10/14/2014	604,481	1,531,873
Bryan J. Blankfield	7,300	4.70%	56.54	10/14/2014	259,571	657,804
Matthew J. Zolnowski	7,300	4.70%	56.54	10/14/2014	259,571	657,804
John W. Randjelovic	7,300	4.70%	56.54	10/14/2014	259,571	657,804

(1) The options reflected in the table (which are non-qualified options for purposes of the Internal Revenue Code) vest annually in one-third increments over the three-year period from the date of grant.

(2) This presentation is intended to disclose the potential value that would accrue to the optionee if the options were exercised the day before it would expire and if the per share value had appreciated at the compounded annual rate indicated in each column. The assumed rates of appreciation of 5% and 10% are prescribed by the rules of the SEC regarding disclosure of executive compensation. The assumed annual rates of appreciation are not intended to forecast possible future appreciation, if any, with respect to the price of our Common Stock.

The following table sets forth information about exercises of stock options by Named Officers in fiscal 2004 and the number and value of unexercised stock options they held as of September 30, 2004.

**Option Exercises in Last Fiscal Year
and Fiscal Year-End Option Values**

Name	Shares Acquired on Exercise (#)	Value Realized \$(1)	Number of Unexercised Options at Fiscal Year-End (#)		Value of Unexercised Options at Fiscal Year-End \$(1)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Robert G. Bohn			393,335	247,667	12,444,836	3,984,263
Charles L. Szews			276,333	73,667	10,883,082	1,206,313
Bryan J. Blankfield			27,499	32,301	685,939	544,357
Matthew J. Zolnowski	21,000	974,400	242,166	30,634	10,597,320	497,881
John W. Randjelovic	37,450	1,769,988	94,166	30,634	3,351,190	497,881

(1) The dollar values are calculated by determining the difference between the fair market value of the underlying Common Stock and the exercise price of the options at fiscal year-end.

Pension Plans

The following tables show at different levels of compensation and years of credited service the estimated annual benefits payable as a straight life annuity, assuming retirement at age 65, to (1) Mr. Bohn under the Oshkosh Truck Corporation Retirement Plan (the Pension Plan) and the supplemental retirement benefit provision contained in Mr. Bohn's employment agreement with the Company (the Supplemental Retirement Benefit) and (2) each of the Named Officers other than Mr. Bohn pursuant to the Pension Plan and the Oshkosh Truck Supplemental Executive Retirement Plan (the Executive Retirement Plan):

Pension Plan Table for Mr. Bohn

Average Annual Compensation in 3 Consecutive Calendar Years Completed Before Retirement	Years of Service			
	5	10	15	20+
\$800,000	\$ 100,000	\$ 200,000	\$ 300,000	\$ 400,000
1,000,000	125,000	250,000	375,000	500,000
1,200,000	150,000	300,000	450,000	600,000
1,400,000	175,000	350,000	525,000	700,000
1,600,000	200,000	400,000	600,000	800,000
1,800,000	225,000	450,000	675,000	900,000
2,000,000	250,000	500,000	750,000	1,000,000
2,200,000	275,000	550,000	825,000	1,100,000
2,400,000	300,000	600,000	900,000	1,200,000

Pension Plan Table for Other Named Officers

Average Annual Base Salary Compensation in 3 Consecutive Calendar Years Completed Before Retirement	Years of Service			
	5	10	15	20+

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Average Annual Base Salary Compensation in 3 Consecutive Calendar Years Completed Before Retirement	Years of Service			
	\$ 20,000	\$ 40,000	\$ 60,000	\$ 80,000
250,000	25,000	50,000	75,000	100,000
300,000	30,000	60,000	90,000	120,000
\$200,000 350,000	35,000	70,000	105,000	140,000
400,000	40,000	80,000	120,000	160,000
450,000	45,000	90,000	135,000	180,000
500,000	50,000	100,000	150,000	200,000

Under the Pension Plan, a salaried employee is entitled to receive upon retirement at age 65 a monthly benefit equal to 50% of average monthly compensation less 45% of the primary social security benefit payable at age 65, reduced by 1/30th for each benefit accrual year of service less than 30, or certain actuarially equivalent benefits. Average monthly compensation is based on the average of the five highest consecutive years of earnings (excluding bonuses and subject to a maximum amount of compensation as established pursuant to IRS regulations) prior to the participant's normal retirement age or other date of termination. One thousand hours constitute a year of service. As of March 1, 1994, IRS regulations lowered the maximum amount of compensation allowed to be included in benefit calculations from \$235,840 to \$150,000. This amount was increased to \$160,000 as of March 1, 1997, \$170,000 as of January 1, 2000, \$200,000 as of January 1, 2002 and \$205,000 as of January 1, 2004. Accrued benefits calculated as of February 28, 1994 at the higher limit have been grandfathered. An employee who has reached the age of 55 with a minimum of 5 years of service may retire and begin to receive the actuarial equivalent of his or her pension benefits. The spouse of an employee who would have been eligible

for early retirement at death, and married at least one year, is entitled to a monthly benefit equivalent to 50% of the amount of the actuarially equivalent joint and survivor annuity which would have been payable to a participant as of the participant's normal retirement age. Compensation covered by the Pension Plan for the Named Officers generally corresponds with the base salary for each such individual, subject to the annual maximum.

Under the Supplemental Retirement Benefit, Mr. Bohn is entitled to receive upon retirement a monthly benefit equal to 30% of Mr. Bohn's average monthly compensation at age 55 increasing to 50% of average monthly compensation at age 59, reduced by the amount of any pension payable by the Company under the Pension Plan and subject to adjustment to the extent Mr. Bohn has not completed 20 years of employment after April 30, 1992 (the Supplemental Retirement Benefit Amount). Average monthly compensation is based on the average of Mr. Bohn's compensation for the three most recent years prior to Mr. Bohn's retirement or other termination. Mr. Bohn's spouse is entitled to receive 50% of the Supplemental Retirement Benefit Amount that would have been payable to Mr. Bohn in the event of Mr. Bohn's death. In addition, under his employment agreement, if there were to occur a Change in Control of the Company, as defined in his executive severance agreement, the Company will pay to Mr. Bohn in a single distribution the then present value of his accrued and vested Supplemental Retirement Benefit. Compensation covered by the Supplemental Retirement Benefit for Mr. Bohn generally corresponds with the base salary and earned bonus compensation for Mr. Bohn.

Under the Executive Retirement Plan, which was amended in September 2004, certain officers of the Company, including the Named Officers other than Mr. Bohn, are entitled to receive upon retirement a monthly benefit equal to 24% of their average monthly compensation (base pay only) at age 55 increasing to 40% of average monthly compensation (base pay only) at age 62, prorated if the executive has less than 20 years of service at retirement. This amount is reduced by the amount of any pension payable by the Company under the Pension Plan, the annuity value of the executive's 401(k) plan match and 50% of the executive's social security benefit. Average monthly compensation is based on the average of the executive's compensation for the highest five years of pay in the last ten years of credited service with the highest five not required to be consecutive. Beginning October 1, 2004, the final average monthly compensation includes base and bonus pay. The executive's spouse is entitled to receive 50% of the Executive Retirement Plan benefit that would have been payable in the event of the executive's death. Compensation covered by the Executive Retirement Plan generally corresponds with base salary only.

As of September 30, 2004, years of benefit service under the Pension Plan, the Supplemental Retirement Benefit and the Executive Retirement Plan, as the case may be, were 12.5 years for Mr. Bohn, 8.5 years for Mr. Szews, 2.5 years for Mr. Blankfield, 12.8 years for Mr. Zolnowski, and 12.4 years for Mr. Randjelovic.

Executive Employment and Severance Agreements and Other Agreements

Except as described below, the Company does not have employment agreements with the Named Officers.

The Company entered into an employment agreement with Mr. Bohn on October 15, 1998. Under this agreement, the Company agreed to employ Mr. Bohn as President and Chief Executive Officer of the Company until September 30, 2001, the end of the original term. The term of employment is renewed automatically for successive one-year periods each September 30, unless either party gives notice of non-renewal at least two years prior to the end of the then current term, which is currently September 30, 2007. Mr. Bohn receives an annual base salary of not less than \$500,000. Mr. Bohn also is entitled to participate in the bonus plan for senior management personnel of the Company and in stock-based compensation programs in effect for other senior executives of the Company. In addition, Mr. Bohn is entitled to a supplemental retirement benefit

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intended to compensate him upon retirement as more fully described above under Pension Plans. If Mr. Bohn's employment with the Company is terminated during the term of the employment agreement by the Company without cause, or by Mr. Bohn for good reason, then the Company is obligated to continue to pay his salary and fringe benefits for the remainder of the term as provided in the agreement.

Pierce Manufacturing Inc. entered into an employment agreement with Mr. Randjelovic on September 16, 1996. Under this agreement, the Company agreed to employ Mr. Randjelovic and currently employs him as President of Pierce Manufacturing Inc. The term of employment is renewed automatically for successive one-year periods each November 30, unless either party gives notice of non-renewal at least forty-five days prior to the end of the then current term, which is currently November 30, 2005. Mr. Randjelovic receives an annual base salary of not less than \$216,000. Mr. Randjelovic also is entitled to participate in the bonus plan for senior management personnel of the Company, and in stock-based compensation programs in effect for other senior executives of the Company. If Mr. Randjelovic's employment is terminated during the term of the employment agreement without cause, or by Mr. Randjelovic for good reason, then Pierce Manufacturing Inc. is obligated to continue to pay his salary and fringe benefits for the remainder of the term as provided in the agreement, but in no event for less than twelve months.

The Company has executive severance agreements with Messrs. Bohn, Szews, Blankfield, Zolnowski and Randjelovic that are designed to provide each of them with reasonable compensation if any of their employment is terminated in certain defined circumstances, primarily following a change of control of the Company. The Human Resources Committee administers the severance agreements and selects the executive officers of the Company for eligibility for these agreements.

Under the executive severance agreements, after a change in control of the Company (as defined in the agreements), if the executive's employment is terminated by the Company other than by reason of death, disability or for cause (as defined in the agreements) or by the executive for good reason (as defined in the agreements), then the executive is entitled to a cash termination payment and other benefits. The termination payment will be equal to the sum of the executive's annual salary in effect at the change of control (or any subsequent higher salary) plus the highest annual bonus award paid during the three years before the change of control, multiplied by the number of years remaining in the employment period (up to three but not less than one). The executive also is entitled to additional pension benefits equal to the difference between the amount he would actually be entitled to receive on retirement and the amount to which he would have been entitled to receive had he continued to work until the earlier of age 65 or the number of years remaining in the employment period (up to three). In addition, the agreements provide for outplacement services and continuation for up to three years of life and disability insurance, hospitalization, medical and dental coverage and other welfare benefits as in effect at the termination. The agreements provide that if the payments under the agreement are an excess parachute payment for purposes of the Internal Revenue Code, then the Company will pay the executive the amount necessary to offset the 20% excise tax imposed by the Internal Revenue Code and any additional taxes on this payment.

In connection with their retirement as employees of the Company effective February 11, 1994, the Company entered into special retirement arrangements with Stephen P. Mosling and J. Peter Mosling, Jr., who continue to serve as Directors of the Company. Those arrangements include (i) supplemental retirement payments after age 55 in an amount equal to \$25,000 per calendar year; and (ii) entitlement, at the Company's expense and until age 65, to the standard medical and life insurance coverage that the Company offers to salaried employees.

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