bonus of up to 150% of base salary, subject to an annual maximum of $1 million, pursuant to his participation in the Company's performance bonus plan ("Performance Bonus Plan"). All such bonus payments are subject to PCT stockholder approval of the Performance Bonus Plan. In the event of a breach of the agreement by the Company, Mr. Taub is entitled to terminate the employment agreement; in that event or in the event the Company terminates the agreement other than for cause or Mr. Taub's disability, Mr. Taub is generally entitled to receive payment of base salary and bonus and the continuation of benefits for the longer of the remaining term of the agreement or twelve months, offset by any other compensation Mr. Taub earns during this period.

The Company also entered into employment agreements with Messrs. Grace and Vora which provide for each to be employed commencing on September 1, 1996 through December 31, 1999. At any time on or after December 31, 1998, the Company will have the right to give notice of the non-renewal of the employment term. Upon the giving of such notice the employment term is automatically extended so that it ends twelve months after the last day of the month in which the notice was given. From and after January 1, 2000, the employment term is extended on a day-to-day basis until the Company gives notice of non-renewal, as described above. Mr. Grace will be paid an annual base salary of not less than $158,500 subject to increase at the discretion of the Company. Mr. Vora will be paid an annual base salary of not less than $180,000, also subject to increase at the discretion of the Company. Messrs. Grace and Vora may earn a performance bonus of up to 150% of base salary, subject to an annual maximum of $1 million, pursuant to their participation in the Performance Bonus Plan. All such bonus payments are subject to PCT stockholder approval of the Performance Bonus Plan. In the event of a breach of an agreement by the Company, Messrs. Grace and Vora are entitled to terminate their respective employment agreements; in that event or in the event that the Company terminates an agreement other than for cause or disability, the executive is generally entitled to receive payment of base salary and bonus and the continuation of benefits for the longer of the remaining term of the agreement or twelve months, offset by any other compensation the executive earns during this period.

RETIREMENT PLANS

PENSION PLAN FOR SALARIED EMPLOYEES. The Company established the Defined Benefit Pension Plan for Salaried Employees (the "Salaried Pension Plan") effective as of December 31, 1990, in replacement of a prior plan. Participants in the Salaried Pension Plan generally include participants under the prior plan and certain salaried exempt employees who are at least age 21 and credited with at

least one thousand hours of service in any Plan Year (as defined in the Salaried Pension Plan) since the date such employee commenced employment.

Benefits to participants vest fully after five years of service and such benefits are determined primarily by a formula taking into account an average final compensation determined by averaging the three consecutive completed calendar years of greatest compensation earned during the participant's service to the Company and the number of years of service attained by the individual participant. Benefits are subject to the maximum limitations imposed by federal law on pension benefits. The annual limitation in 1996 was $120,000, based on a maximum allowable compensation of $150,000. Such compensation is composed primarily of regular base salary, bonus and employer contributions to qualified deferred compensation plans. Subject to certain restrictions, participants may make voluntary after-tax contributions of up to ten percent of their aggregate compensation. Any such voluntary contributions are fully vested and nonforfeitable at all times.