WEIS MARKETS INC
Form DEF 14A
March 12, 2007

SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934

Filed by the Registrant [X]
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Check the appropriate box:

[   ] Preliminary Proxy Statement
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[X] Definitive Proxy Statement
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[   ] Soliciting Material Pursuant to Section 240.14a-12

Weis Markets, Inc.

(Name of Registrant as Specified In Its Charter)

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Notice of Annual Meeting of Shareholders of WEIS MARKETS, INC. To Be Held On APRIL 11, 2007

TO OUR SHAREHOLDERS:

NOTICE IS HEREBY GIVEN that the 2007 Annual Meeting of the Shareholders of Weis Markets, Inc. (the "Company"), will be held on Wednesday, April 11, 2007, at 10:00 a.m., Eastern Daylight Time, at the principal executive offices of the Company, 1000 South Second Street, Sunbury, Pennsylvania 17801, for the following purposes:

1. ***Election of Directors*: ** To elect seven directors to serve, subject to provisions of the by-laws, until the next Annual Meeting of Shareholders or until their respective successors have qualified.
2. ***Ratification of Appointment of the Independent Registered Public Accounting Firm:*** To approve the appointment of the independent registered public accounting firm for the year ending December 29, 2007;

and to act upon such other business as may properly come before such meeting, or any adjournments or postponements thereof.

The Board of Directors has fixed the close of business on February 26, 2007, as the record date for the Annual Meeting. Only holders of shares of Common Stock of record at that time will be entitled to vote at the Annual Meeting, or any adjournments or postponements thereof.

To assure your representation at the meeting, please sign and mail promptly the enclosed form of proxy, which is being solicited on behalf of the Company. Reference is made to the attached Proxy Statement for further information with respect to the business to be transacted at the meeting.

By Order of the Board of Directors,

Jonathan H. Weis
Secretary

March 9, 2007
Sunbury, Pennsylvania

WEIS MARKETS, INC.
PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS

This Proxy Statement is submitted with Notice of the Annual Meeting of Shareholders of Weis Markets, Inc. (the "Company"), to be held Wednesday, April 11, 2007, at 10:00 a.m., Eastern Daylight Time, at the principal executive offices of the Company, 1000 South Second Street, Sunbury, Pennsylvania 17801, and the form of proxy enclosed with such notice.

INFORMATION CONCERNING THE SOLICITATION

The form of proxy, which accompanies this statement, is being solicited on behalf of the Board of Directors (the "Board") of the Company. Subject to the conditions hereinafter set forth, the shares represented by each proxy executed in the accompanying form of proxy will be voted at the Annual Meeting, or any adjournments or postponements thereof, in accordance with the specifications therein made. Where there is no contrary choice specified, the proxy will be voted "FOR" each of the proposals as therein specified. Proxy material will be first sent to shareholders on or about March 9, 2007.

A proxy executed in the form enclosed may be revoked by the person signing the same at any time before the authority thereby granted is exercised. The revocation may be exercised at any time before the Annual Meeting by indicating the revocation in writing. This revocation should be directed to the Judge of Elections, Weis Markets, Inc., 1000 South Second Street, Sunbury, Pennsylvania 17801. The proxy may also be revoked by voting in person at the Annual Meeting or by voting a later dated proxy.

VOTING SECURITIES, RECORD DATE AND VOTING RIGHTS

As of February 26, 2007, the record date for the Annual Meeting, the number of outstanding shares of Common Stock was 26,973,778. The presence, in person or by proxy, of at least 13,486,890 shares will constitute a quorum.

Only holders of Common Stock of the Company of record at the close of business February 26, 2007 will be entitled to notice of and to vote on all matters at the Annual Meeting and at any adjournment thereof. Each holder of Common Stock will be entitled to one vote for each share of stock so held and to cumulative voting rights in the election of directors. Under cumulative voting, a shareholder, or the shareholder's proxies, may vote the number of shares of stock owned by the shareholder for as many persons as there are directors to be elected, or may cumulate such votes and give to one or distribute among two or more nominees as many votes as shall equal the number of directors to be elected multiplied by the number of the shareholder's shares of stock.

Directors are elected by a plurality vote of all votes cast at the Annual Meeting. Abstentions and broker non-votes will be treated as present for purposes of determining a quorum, but will not affect the election of directors or other matters submitted to the vote of shareholders.

The Company's by-laws specify that notice of any matter to be brought before an annual meeting by a shareholder must be received at the principal executive offices of the Company no later than the notice deadline described under the caption "Shareholders' Proposals for Next Annual Meeting." Management does not intend to bring any other matters before the Annual Meeting, and does not know of any other matter that is eligible for action at the Annual Meeting.

PROPOSAL NO. 1
ELECTION OF DIRECTORS

The Company believes that the proposed nominees for election as directors are willing to be elected as such, and it is intended that the persons named in the accompanying form of proxy or their substitutes will vote for the election of these nominees, unless specifically instructed to the contrary on the form of proxy. However, if any nominee, at the time of the election, is unable or unwilling to serve, or is otherwise unavailable for election, and in consequence other nominees are designated, the persons named in the proxy or their substitutes shall have discretion or authority to vote or refrain from voting in accordance with their judgment on the other nominees.

The Board recommends a vote "FOR" the election of the nominees named below, each of whom has consented to be named as a nominee and to serve if elected. The following table and accompanying footnotes sets forth information about each Board nominee:

Name		Principal Occupation and any Position with the Company; Other Reporting Company Directorships	Age	Director Since
Robert F. Weis	(1)	Chairman of the Board	87	1947
Jonathan H. Weis	(2)	Vice Chairman and Secretary	39	1996
Norman S. Rich	(3)	President and Chief Executive Officer	69	1991
William R. Mills	(4)	Senior Vice President, Treasurer and Chief Financial Officer	50	1996
Matthew Nimetz	(5)	Managing Director General Atlantic LLC	67	--
Richard E. Shulman	(6)	President Industry Systems Development Co.	67	1994
Steven C. Smith	(7)	President and Chief Executive Officer K-VA-T Food Stores, Inc.	49	2001

(1) Robert F. Weis. The Company has employed Mr. Weis since 1946. Mr. Weis served as Chairman and Treasurer from 1995 until April 2002, at which time he was appointed Chairman of the Board ("Chairman"). Robert F. Weis is the father of Director Jonathan H. Weis, brother of Ellen W. P. Wasserman who is also a beneficial owner of more than 5% of the Company's Common Stock and the uncle of Kathryn J. Zox, Thomas H. Platz and James A. Platz who control more than 5% of the Company's Common Stock through EKTJ Management LLC.

(2) Jonathan H. Weis. The Company has employed Mr. Weis since 1989. Mr. Weis served the Company as Vice President Property Management and Development from 1996 until April 2002, at which time he was appointed as Vice President and Secretary. In January of 2004, the Board appointed Mr. Weis as Vice Chairman and Secretary ("Vice Chairman"). Jonathan H. Weis is the son of Director Robert F. Weis.

(3) Norman S. Rich. The Company has employed Mr. Rich since 1964. Mr. Rich served as President from 1994 until April 2002, at which time he was appointed President and Chief Executive Officer of the Company ("CEO"). Mr. Rich serves on the Board of Trustees of Evangelical Community Hospital, as a Director of the Food Marketing Institute, on the Board of Governors of the Academy of Food Marketing at St. Joseph's University and as Chairman of the Susquehanna Valley United Way.

(4) William R. Mills. The Company has employed Mr. Mills since 1992. Mr. Mills served as Vice President Finance & Secretary from 1995 until April 2002, at which time he was appointed Senior Vice President, Treasurer and Chief Financial Officer of the Company ("CFO").

(5) Matthew Nimetz. Mr. Nimetz serves as a Managing Director of General Atlantic LLC, a private equity firm that invests in information technology and IT-enabled businesses on a global basis. Mr. Nimetz has been with General Atlantic since 2000, and from 1980 to 2000, was a partner of the New York based law firm of Paul, Weiss, Rifkind, Wharton & Garrison. He previously served in several governmental capacities including Counselor of the State Department and Under Secretary of State.

(6) Richard E. Shulman. Mr. Shulman serves as President of Industry Systems Development Co., a consulting firm. He has expertise in the application of technology to retailing with a specific focus on food retailing and distribution.

(7) Steven C. Smith. Mr. Smith serves as President and Chief Executive Officer of K-VA-T Food Stores, Inc., a regional supermarket chain headquartered in Abingdon, VA. Mr. Smith also serves as a Director on the Board of the National Grocers Association. Mr. Smith was recently elected as Chairman of the Food Marketing Institute, and also serves on its Executive, Board Planning and Public Affairs Committees.

Independence of Directors

The Board has determined that Directors Shulman, Smith and Nominee Nimetz are independent within the meaning of the listing standards of the New York Stock Exchange ("NYSE"). An independent director is defined as a director who has no material relationship with the Company, either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company.

Michael M. Apfelbaum, a Director in 2006, and certain of his family members are shareholders of a corporation which leases to the Company the land under a store and adjacent parking lot in Lebanon, Pennsylvania. Since Mr. Apfelbaum's individual interest in Central Properties, Inc. ("Central Properties") is less than 1% and the combined interest of his immediate family is less than 10%, it is the view of the Board that this relationship is de minimus and did not interfere with the exercise of his independent judgment as a director. The Board therefore determined that Director Apfelbaum was also independent under the listing standards of the NYSE.

Companies listed on the NYSE must comply with certain standards regarding corporate governance, as codified in Section 303A of the Listed Company Manual of the NYSE, with some exceptions. A company of which more than 50% of the voting power is held by an individual, a group or another company need not comply with the requirements of Sections 303A.01 Independent Directors, 303A.04 Nominating/Corporate Governance Committee or 303A.05 Compensation Committee. Robert F. Weis, Chairman, and Ellen W. P. Wasserman, his sister, control 53.3% of the voting power. They have agreed to act together for the purpose of voting their shares of Common Stock and thus constitute a group within the meaning of these rules.

The Company does not have a majority of independent directors. The Company's Audit Committee is comprised of all independent directors, and the Compensation Committee is comprised of three independent directors and one non-independent director.

Board Committees and Meeting Attendance

Board of Directors. The Company's Board held four regular meetings and one special meeting during fiscal 2006. No director attended fewer than 75% of the aggregate meetings of the Board and all Board committees on which the director served. All directors attended the 2006 Annual Meeting of Shareholders.

Under the policies of the Board, directors are expected to attend regular Board meetings, Board committee meetings, the Annual Meeting of Shareholders and any special meetings of the shareholders. Participation is permissible by means of conference telephone or similar communications equipment.

Audit Committee. The Audit Committee is composed of three independent non-employee directors, as required by the NYSE listing standards. The Audit Committee acts independently to review the scope and engagement results of the independent registered public accounting firm ("independent auditors") and the adequacy of the Company's internal and financial controls. Information regarding the functions performed by the Audit Committee is set forth in the "Audit Committee Report" included in this Proxy Statement. The Audit Committee is governed by a written charter approved by the Board. A copy of this charter is available on the Company's corporate governance website at "http://weismarkets.com/governance_info.php" or by request to the Corporate Secretary at the Company's address set forth in "Shareholder Communications."

The 2006 Audit Committee of the Board was composed of Messrs. Michael M. Apfelbaum, Richard E. Shulman and Steven C. Smith. Mr. Shulman served as Chairman of the Audit Committee. The Audit Committee held four regular meetings and four special meetings during fiscal 2006.

The Board has determined that all Audit Committee members are financially literate under the listing standards of the NYSE. The Board also determined that the Chairman of the Audit Committee, Mr. Shulman, is an "audit committee financial expert," as defined in Item 401(h) of Regulation S-K, and all members of the Audit Committee are "independent" for purposes of Section 10A(m)(3) of the Securities Exchange Act of 1934 and the listing standards of the NYSE.

Compensation Committee. The Compensation Committee is composed of three independent non-employee directors and one non-independent employee director. The Compensation Committee is responsible for developing policies and programs, and making recommendations about compensation arrangements for senior management. The Compensation Committee is governed by a written charter approved by the Board, which is available on the Company's corporate governance website at http://weismarkets.com/governance_info.php or by request to the Corporate Secretary at the Company's address set forth in "Shareholder Communications."

The 2006 Compensation Committee of the Board was composed of Messrs. Michael M. Apfelbaum, Richard E. Shulman, Steven C. Smith and Jonathan H. Weis. Mr. Weis served as Chairman of the Compensation Committee. The Compensation Committee held three meetings during fiscal 2006.

Corporate Governance Matters

The Company has adopted Corporate Governance Guidelines which are available on the Company's corporate governance website at http://weismarkets.com/governance_info.php or by request to the Corporate Secretary at the Company's address set forth in "Shareholder Communications."

Code of Business Conduct and Ethics. The Company has adopted a "Code of Business Conduct and Ethics" that applies to all of its directors, officers and employees. Separately, the Company also adopted a "Code of Ethics for CEO and CFO" specific to its chief executive officer, chief financial officer, controller and any person performing similar functions. The Company has made both documents available on its corporate governance website at http://weismarkets.com/governance_info.php or by request to the Corporate Secretary at the Company's address set forth in "Shareholder Communications."

Non-Management Independent Directors. To empower non-management independent directors to serve as a more effective check on management, the non-management independent directors of the Company have met at regularly scheduled executive sessions without management. The non-management independent directors are Messrs. Michael M. Apfelbaum, Richard E. Shulman and Steven C. Smith. Mr. Apfelbaum presided at the four meetings held during fiscal 2006.

Board Nominations. Based upon the stock ownership of the principal shareholders, the Company determined it would be better served by having the full Board review nominating and corporate governance issues rather than establishing separate committees. Therefore, there is no nominating committee charter.

If the Board determines there is a need to add or replace a director, the following criteria are considered for each recommended candidate. The candidate (a) has the highest personal and professional ethics, integrity and values; (b) consistently exercises sound and objective business judgment; (c) has significant appropriate senior management and leadership experience; (d) is able and willing to devote the required amount of time to the Company's affairs, including attendance at Board meetings, Board committee meetings and annual shareholder meetings and (e) will be committed to building sound, long-term Company growth. Chosen candidates are extended invitations to join the Board. If a candidate accepts, he or she is formerly nominated.

The Board will consider nominees brought to the attention of the Board by a shareholder, a non-management director, the chief executive officer, any other executive officer or other appropriate sources. Matthew Nimetz, a nominee for election to the Board at this year's Annual Meeting, was first brought to the attention of the Board by the Chairman. Any shareholder who desires to have an individual considered for nomination by the Board must submit a recommendation in writing to the Secretary of the Company, at the Company's address appearing on page 1, not later than November 1 preceding the Annual Meeting at which the election is to be held. The notice should include the name and address of both the shareholder and the candidate and the qualifications of the candidate being recommended.

The Board does not have a formal process for identifying and evaluating candidates for director. It is not anticipated that the process for evaluating a nominee would differ based on whether the nominee is recommended by a shareholder.

Board Recommendation and Vote Required

The seven candidates receiving the highest numbers of votes cast by the holders of Common Stock voting in person or by proxy will be elected as directors. **The Board of Directors recommends a vote "FOR" the election of the seven nominees named above.**

The Company's by-laws require that any shareholder intending to nominate a candidate for election as a director must give written notice, containing specified information, to the Secretary of the Company not later than the notice deadline specified in the bylaws, which is generally 120 days prior to the anniversary date of the Company's Proxy Statement for the previous year's Annual Meeting. No such notices were received with respect to the 2007 Annual Meeting. Therefore, only the seven nominees named above, or a substitute nominee of the Board, will be eligible for election at the Annual Meeting. A copy of the by-law provision concerning shareholder nominations will be furnished to any shareholder upon written request to the Secretary of the Company at the Company's address set forth on page 1.

EXECUTIVE COMPENSATION
COMPENSATION DISCUSSION AND ANALYSIS

This is a report by the Company's executive officers; however, the Compensation Committee oversees the executive compensation programs for the executive and operating officers. Throughout this Proxy Statement, the individuals who served as the Company's CEO and CFO during fiscal 2006, as well as the other individuals included in the "Summary Compensation Table" are referred to as the "Named Officers."

Executive management and the Compensation Committee recognize the fact that the Company is engaged in a highly competitive industry and thus annually examines market compensation levels and trends in the labor market. The primary objective of the Company's executive compensation program is to attract and retain qualified executives, which is critical to the ongoing success of the Company. This primary objective is achieved by providing appropriate base compensation, annual incentives, health and welfare benefits, retirement benefits and perquisites competitive with executives at selected peer companies of comparable size and position in the retail business, while keeping compensation in line with the financial objectives of the Company. To achieve this objective, the executive management team and the Compensation Committee regularly review commercially available survey data related to general industry executive compensation, peer company compensation programs through a review of proxy statements and have at various times sought assistance from consulting firms specializing in labor benefits. Because the Company competes with many larger companies for top executive-level talent, it generally sets compensation for Named Officers between the 50^{th} and 75^{th} percentile of compensation paid to similarly situated executives. Variations to the base salary component may occur because of the individual's experience level, job responsibilities and market factors. The Compensation Committee also realizes a significant difference between the Company's executive compensation program and some of its peers is the absence of an equity-based incentive plan. This fact is strongly considered when evaluating discretionary contributions to the Supplemental Executive Retirement Plan ("SERP") for the Named Officers.

2006 Executive Compensation Components

The Compensation Committee subjectively evaluates the performance of executive and operating officers with the Chairman and CEO. The Compensation Committee relies upon written and verbal evaluations of each officer's performance for the most recent fiscal year. The Vice Chairman and the CEO meet with the executive and operating officers to discuss their efforts and accomplishments throughout the period from information deemed relevant both internally and in light of the competitive position of the Company in the industry. These evaluations include qualitative factors such as the individual's decision-making responsibilities, the professional experience required to perform given tasks, and their leadership and team-building skills. Although executive base compensation is not specifically related to corporate performance, the overall performance of the Company is a consideration in determining executive compensation.

Base Salary: The base salary component of the executive compensation program provides the foundation for a fair and competitive compensation package. Base salaries are compared to the grocery industry by reference to peer companies that participate in an industry compensation survey conducted by an independent consulting firm. The Compensation Committee does maintain flexibility to deviate from the 50^{th} and 75^{th} percentile of the compensation guide in certain circumstances. The determination of base salaries is generally independent of the decisions regarding other elements of compensation, but some of the other elements of the compensation program are dependent on base salary, to the extent they are expressed as percentages of base salary.

Based on subjective and qualitative considerations, which include the overall financial and operational success of the Company, the Committee approved the continuation of the Chairman's and CEO's base salaries in fiscal 2006. The base salary for the Chairman and CEO were at 92.4% and 91.6%, respectively, of the 75% base salary quartile for similarly situated executives. The Vice Chairman received a 16.7% increase in base salary in 2006. There was not a similar executive position defined within the compensation survey information provided to the Company for this position. However, using survey information for the CEO position, the Vice Chairman earned 71.5% of the 50% quartile for CEOs. The CFO received a 7.9% increase in base salary in 2006 and earned 104.6% of the 75% quartile for similarly situated executives. The Vice President Operations received a 7.0% increase in base salary in 2006 and earned 54.8% of the 75% quartile for similarly situated executives.

Non-Equity Incentive Plan: The Company's executive compensation program includes an annual non-equity incentive plan designed to reward certain key employees, including the Named Officers, for meeting specific financial objectives. The Compensation Committee administers the non-equity incentive plan for management to provide the short-term incentive compensation element of the executive compensation program. This short-term incentive is a cash based performance incentive program designed to motivate and reward key employees for their contributions to factors and business goals that the Company believes drive its earnings and create shareholder value. Incentive payout potentials are established by job level within the Company as a percentage of base salary, and actual payouts are based on achievement of sales and operating profit targets as approved by the Board annually. Prior to implementation of this non-equity incentive plan in 2002, the Compensation Committee hired an independent compensation consulting firm to provide guidance on the basic plan structure. Based upon its most recent review, the Compensation Committee concluded the plan remains consistent with plans offered by other retail organizations. Actual non-equity incentive plan compensation amounts earned by the Named Officers are reflected in the "Summary Compensation Table" for the year earned. The amounts which each Named Officer could have earned for 2006 based on performance at the threshold, target and maximum levels are shown in the "Grants of Plan-Based Awards" table below.

The Chairman and CEO can earn up to 50% of their base salary, and the other Named Officers can earn up to 35% of their base salary in the non-equity incentive plan. For fiscal 2006, 50% of the incentive award was based upon achievement of the budgeted total company sales growth and 50% of the incentive award was based upon achievement of the budgeted total company operating profit growth as compared to fiscal 2005 for the top four Named Officers. Threshold, target and maximum hurdles were established for the budgeted sales and operating profit categories, which allowed each Named Officer to earn 30%, 70% or 100% of his total incentive award for achieving the specified results within each category. The threshold, target and maximum hurdles for the sales increase in fiscal 2006 were 1.1%, 2.3% and 3.4%, as compared to the 53-week fiscal 2005. The threshold, target and maximum hurdles for the operating profit increase in fiscal 2006 were 2.0%, 4.0% and 5.9%, as compared to the 53-week fiscal 2005.

When a participant has responsibility in more than one business area, the short-term incentive may be split between areas, which was the case with the Vice President Operations. For fiscal 2006, 25% of his incentive was based upon achieving total company sales, 25% upon achieving total company operating profits and 50% based upon controlling total distribution and transportation expenses. Threshold, target and maximum hurdles for total company sales and operating profit growth were the same as for the other four Named Officers. Threshold, target and maximum hurdles for expense control within the distribution and transportation center were 4.4%, 2.9% and 1.5% increases in expenses, as compared to the 53-week fiscal 2005.

The top four Named Officers earned 0% of their total bonus potential in 2006 based upon total company performance. The Vice President Operations earned 54.8% of his total bonus potential in 2006 based upon his specific areas of responsibility within the Company.

Retirement Plans: The Company has a contributory retirement savings plan (401(k)) covering substantially all full-time associates, a noncontributory profit-sharing plan covering eligible associates, and a noncontributory employee stock bonus plan covering eligible associates, all of which are qualified defined contribution plans. The Named Officers along with other highly compensated employees have limited participation in the 401(k) plan and are excluded from participation in the qualified profit sharing and employee stock bonus plans because of limitations imposed by the Internal Revenue Code and the Regulations implemented by the Internal Revenue Service.

Supplemental Executive Retirement Plan: Company contributions normally made to the qualified plans for the Named Officers are credited instead to the SERP, an unfunded, nonqualified deferred compensation plan. The SERP account for each Named Officer is credited annually with the amount, if any, that would have been allocated to the participant's qualified plans if he or she had not been excluded from participation in these qualified plans. Although the SERP is primarily a replacement retirement plan, the Compensation Committee may at any time credit additional amounts to the account(s) of one or more SERP participants, at its sole discretion. Substantial risk of benefit forfeiture does exist for participants in the SERP.

Contributions to the SERP are determined in the same manner as contributions to participants in the Company's qualified plans except for discretionary contributions. Contribution allocations and earnings for the four components of the SERP are computed as follows:

a. 401(k) Plan: The allocation of the employer 401(k) contribution is equal to 25% of the participant's contribution for the allocation period, up to 4% of the participant's compensation. Base salary is the only element of compensation that is used in determining the amount of contributions permitted under the Company's 401(k) plan. By law, compensation in excess of $220,000 (as indexed upward under federal law) cannot be counted. SERP participants can defer up to 50% of their base salary between the 401(k) Plan and the SERP. Each amount credited to a participant's SERP account for replacement of Company contributions normally made for 401(k) deferrals are adjusted in the same manner as if such amount had been invested for the participant in the 401(k) plan Aggressive Equity Fund, except that amounts are only credited to the SERP account annually rather than quarterly as in the qualified plan.

b. Profit Sharing Plan: The allocation of the employer's contribution to the profit sharing plan is based on the number of allocation units credited to each eligible participant in proportion to the total number of allocation units credited to all eligible participants for the plan year. A participant is credited with one allocation unit for each full $100 of compensation for the plan year plus 1.5 units for each year of service. By law, compensation in excess of $220,000 (as indexed upward under federal law) cannot be counted. Each amount credited to a participant's SERP account for replacement of Company contributions normally made to the profit sharing plan is adjusted annually in the same manner as if the amount had been invested for the participant in the profit sharing plan Diversified Fund.

c. Employee Stock Bonus Plan: The allocation of the employer's contribution to the employee stock bonus plan is based on each eligible participant's compensation in proportion to the compensation received by all eligible participants during the plan year. The plan does not take into account compensation in excess of $100,000. Each amount credited to a participant's SERP account for replacement of Company contributions normally made to the employee stock bonus plan is adjusted annually in the same manner as if the amount had been invested for the participant in the profit sharing plan Diversified Fund.

d. Discretionary: Discretionary awards to SERP participants are at the sole discretion of the Compensation Committee. Amounts credited to a participant's SERP account for discretionary Company contributions are adjusted annually in the same manner as if the amount had been invested for the participant in the profit sharing plan Diversified Fund.

The Aggressive Equity Fund in the 401(k) plan and the Diversified Fund in the profit sharing plan are managed by independent investment advisors. For more information regarding the Company's retirement plans, please refer to the "Pension Benefits" and "Nonqualified Deferred Compensation" tables below and Note 6 in the 2006 Annual Report.

Deferred Compensation Agreement: The Company maintains an unfunded, nonqualified deferred compensation agreement with Robert F. Weis for the payment of specific amounts of annual retirement benefits to him or his spouse over their lifetime, with a guaranteed payment for their actuarially computed life expectancies. The benefits are determined through actuarial calculations dependent on the age of the recipient, as specified in the plan document, using the 1971 Group Annuity Mortality Table (Plus 5 for Males) and an assumed discount rate of 7.5%. The benefit payable on an annual basis to Robert F. Weis would be $875,475 if he had retired as of the date of this Proxy Statement. For more information regarding this deferred compensation agreement, refer to the "Pension Benefits" table below and Note 6 in the 2006 Annual Report.

Perquisites: The Company provides the Named Officers with perquisites the Compensation Committee believes are reasonable and consistent with its overall executive compensation program. The Named Officers are provided use of Company automobiles. For security purposes and benefit to the Company, the top four Named Officers may use the corporate aircraft for business and also for limited personal travel. In addition, the Company pays for tax filing assistance for the Chairman. All perquisites are charged to the Named Officers as prescribed by the Internal Revenue Service.

COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed the "Compensation Discussion and Analysis" and has discussed it with the executive officers. Based upon its review and those discussions, the Compensation Committee recommended to the Board that the "Compensation Discussion and Analysis" be included in this Proxy Statement, which will be incorporated by reference in the Company's Annual Report on Form 10-K for the year ended December 30, 2006.

Jonathan H. Weis, Chairman
Michael M. Apfelbaum
Richard E. Shulman
Steven C. Smith

COMPENSATION TABLES

Summary Compensation Table

The following table shows the compensation of the Company's principal executive officer, the principal financial officer and three other officers with the highest total compensation for fiscal 2006 (the "Named Officers").

Name and Principal Position	Year	Salary ($)	Bonus ($) (1)	Non-Equity Incentive Plan Compensation ($) (2)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($) (3)	All Other Compensation ($) (4)	Total ($)
Robert F. Weis Chairman of the Board	2006	560,000	8,400	--	319,650	122,939	1,010,989
Norman S. Rich President and Chief Executive Officer	2006	555,000	8,325	--	--	106,147	669,472
Jonathan H. Weis Vice Chairman and Secretary	2006	350,000	5,250	--	--	20,881	376,131
William R. Mills Senior Vice President, Treasurer and Chief Financial Officer	2006	340,000	5,100	--	--	21,076	366,176
Edward W. Rakoskie, Jr. (5) Vice President Operations	2006	230,000	3,450	44,146	--	16,154	293,750

1. Represents the amount paid as a discretionary holiday bonus. A holiday bonus has been paid by the Company to all qualifying employees for over 50 years.
2. Represents the amount earned for 2006 under the annual non-equity incentive plan described in the "Compensation Discussion and Analysis."
3. Represents the amount of the increase for 2006 in the actuarial present value of Robert F. Weis' accumulated benefits under the nonqualified deferred compensation plan described under "Pension Benefits."
4. "All Other Compensation" consists of contributions by the Company to the SERP and perquisite costs where applicable. Except for Robert F. Weis, the amounts shown are for SERP contributions only, since perquisites for the other Named Officers do not exceed $10,000. Perquisites of $18,943 included in the amount for Robert F. Weis consist of the cost for personal use of a Company car, the Company aircraft and tax filing assistance. The 2006 Company contribution amounts to the SERP were estimated for purposes of this table. Additional information concerning deferrals of earned compensation by the Named Officers to the SERP and other plan details are described under "Nonqualified Deferred Compensation."

5. ***Edward W. Rakoskie, Jr.*** The Company has employed Mr. Rakoskie since 1962 in various operational positions. Mr. Rakoskie was promoted to Vice President Operations in 1998.

Grants of Plan-Based Awards

The following table shows the grants of plan-based awards made to the Named Officers in fiscal 2006.

		Estimated Possible Payouts Under Non-Equity Incentive Plan Awards (1)		
Name	**Grant Date**	**Threshold ($)**	**Target ($)**	**Maximum ($)**
Robert F. Weis	01/01/2006	84,000	196,000	280,000
Norman S. Rich	01/01/2006	83,250	194,250	277,500
Jonathan H. Weis	01/01/2006	36,750	85,750	122,500
William R. Mills	01/01/2006	35,700	83,300	119,000
Edward W. Rakoskie, Jr.	01/01/2006	24,150	56,350	80,500

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1. Represents the amounts which could have been earned by the Named Officers through fiscal 2006 for performance at the threshold, target and maximum levels under the annual non-equity incentive plan described in the "Compensation Discussion and Analysis."

Outstanding Equity Awards at Fiscal Year-End

The Company's 1985 Incentive Stock Option Plan expired on December 31, 2004. Under the terms of the plan, options were granted for shares of the Company's Common Stock based on the market value at the date of grant and may be exercised immediately. There are no plan provisions for reload or tax-reimbursement features. The closing price of the stock at the fiscal year end was $40.11.

The following table shows the outstanding equity awards held by the Named Officers at December 30, 2006.

Name	**Number of Securities Underlying Unexercised Options (#) Exercisable**	**Option Exercise Price ($)**	**Option Expiration Date**
Norman S. Rich	7,211	35.5625	04/05/2009
	20,000	37.9375	07/31/2009
	20,000	35.1250	07/31/2010
William R. Mills	2,000	32.8750	07/31/2007
	2,000	34.3125	07/31/2008
	3,000	37.9375	07/31/2009
	3,000	35.1250	07/31/2010
Edward W. Rakoskie, Jr.	1,000	37.9375	07/31/2009

Option Exercises and Stock Vested

The following table shows the stock options exercised by the Named Officers during fiscal 2006.

Name	**Number of Shares Acquired on Exercise (#)**	**Value Realized on Exercise ($)**
Norman S. Rich	2,789	27,562
Edward W. Rakoskie, Jr	1,500	14,011

Pension Benefits

The following table provides information concerning the value of Robert F. Weis' accumulated benefits under the Company's nonqualified deferred compensation agreement.

Name	Plan Name	Number of Years Credited Service	Present Value of Accumulated Benefit ($) (1)	Payments During Last Fiscal Year ($)
Robert F. Weis	Nonqualified Deferred Compensation Agreement	60	5,441,969	--

1. Although the participant is not eligible to receive a lump-sum payment, the pension benefit table is required to show a lump-sum present value based upon applicable interest rate and mortality assumptions.

Nonqualified Deferred Compensation

The Company maintains a SERP for certain of its associates. The plan is designed to provide retirement benefits and salary deferral opportunities because of limitations imposed by the Internal Revenue Code and the Regulations implemented by the Internal Revenue Service. The plan is unfunded and accounted for on an accrual basis. Participants in the plan are excluded from participation in the qualified profit sharing and employee stock bonus plans and have limited participation in the 401(k) plan. The Board annually determines the amount of the allocation to the plan at its sole discretion.

The allocation among the various plan participants is made in relationship to their compensation, years of service and job performance. Plan participants are 100% vested in their accounts after seven years of service with the Company. In accordance with the lump-sum or installment election made by the Named Officer prior to the deferral of compensation, benefits are distributed to participants one year after the date of retirement, assuming the participant has reached normal retirement age. Substantial risk of benefit forfeiture does exist for participants in the plan. The present value of accumulated benefits is included under "Postretirement benefit obligations" in the Consolidated Balance Sheets within the 2006 Annual Report.

The following table provides information concerning deferrals by the Named Officers of their earned compensation under the Company's SERP.

Name	Executive Contributions in 2006 ($) (1)	Company Contributions in 2006 ($) (2)	Aggregate Earnings in 2006 ($) (3)	Aggregate Withdrawals/ Distributions ($)	Aggregate Balance at 12/31/2006 ($)
Robert F. Weis	--	103,996	32,541	--	432,369
Norman S. Rich	77,201	106,147	170,647	--	1,853,756
Jonathan H. Weis	--	20,881	16,543	--	186,994
William R. Mills	34,986	21,076	29,761	--	337,860
Edward W. Rakoskie, Jr.	29,992	16,154	39,597	--	427,629

1. These amounts are reported in the "Summary Compensation Table" as salary or non-equity incentive plan compensation, as applicable.
2. These amounts are reported in the "Summary Compensation Table" under "All Other Compensation."

3. Earnings on deferred compensation under the Company's SERP are not above market or preferential and are therefore not included in the "Summary Compensation Table."

Potential Payments upon Termination of Employment

Chairman of the Board. The Company has an agreement with its Chairman, Robert F. Weis, which provides that in the event his employment terminates for any reason, including but not limited to retirement, disability or death, the Company will continue to provide him and his spouse through December 31, 2023 with medical, dental, accident, disability and life insurance benefits substantially equivalent to those provided to employees. If Mr. Weis had terminated his employment as of December 31, 2006, the estimated cost to the Company of providing these benefits through the date specified in the agreement would have been $145,178.

President and Chief Executive Officer and the Senior Vice President, Treasurer and Chief Financial Officer. The Company has entered into employment agreements with Norman S. Rich, CEO, and William R. Mills, CFO. The current term of Mr. Rich's agreement expires December 31, 2008, and the current term of Mr. Mills' agreement expires December 31, 2007.

The agreements provide that if prior to the end of the term the officer's employment is terminated without cause or the officer terminates his employment for good reason, as defined in the agreement, the officer will be entitled to receive (1) continuation of base salary payments through the end of the term at the rate then in effect and (2) an incentive bonus for the year of termination and any subsequent remaining year of the term equal to the highest incentive bonus received by the officer for any of the three years preceding termination. If prior to the end of the term the officer's employment terminates due to death or disability, the officer (or his spouse or estate) is entitled to receive (1) continuation of base salary payments through the end of the term at 50% of the rate then in effect and (2) a prorated bonus for the year of termination only in the amount the Company in good faith determines the officer would have received had his employment continued. Mr. Rich would also be entitled to a prorated incentive bonus for the year of termination only if prior to the end of the term his employment terminates due to retirement. All salary continuation and incentive bonus payments would be made at the same times as if employment had continued.

In addition, in the case of a termination without cause, for good reason or due to disability, the agreements provide that in lieu of contributions to the Company's SERP, the Company will pay to the officer, for the remainder of the term and at the times SERP contributions would otherwise have been made, $60,000 per year in the case of Mr. Rich and in the case of Mr. Mills an amount per year not less than the amount of the SERP contribution for the most recent year preceding termination. Finally, the agreements provide that if the officer's employment is terminated prior to the end of the term without cause, for good reason or due to death, disability or (in the case of Mr. Rich) retirement, the Company will continue to provide the officer and his spouse with medical, dental, accident, disability and life insurance benefits substantially equivalent to those provided to employees in the case of Mr. Rich through December 31, 2023 and in the case of Mr. Mills through the end of the term of the agreement or through December 31, 2011 if termination is due to death.

In the agreements, the officers agree (1) to at all times maintain the confidentiality of information pertaining to the Company's business, and (2) until four years after termination of employment, not to (A) hire any Company employee or solicit or induce any employee, consultant, vendor or supplier of the Company to terminate or reduce its relationship with the Company or (B) except in the case of a termination by the Company without cause or by the officer for good reason, engage in any business which competes with the Company in the retail grocery business (or in any other business which accounted for more than 2% of the Company's consolidated revenues) in any county in which the Company operates or any contiguous county. The Company's obligations to make payments or provide benefits to the officer under the agreement would cease upon any violation of these covenants.

The following table shows the benefits the officers would have received under the agreements if their employment had terminated for the reasons specified as of December 30, 2006.

Executive Benefits and Payments By Covered Circumstance	**Salary Continuation ($) (1)**	**Non-Equity Incentive Compensation Plan ($) (2)**	**Benefits ($) (3)**	**Nonqualified Deferred Compensation ($) (4)**
Without Cause or Good Reason:				
Norman S. Rich	1,110,000	470,274	145,178	120,000
William R. Mills	340,000	93,419	1,630	21,076
Retirement:				
Norman S. Rich	--	--	145,178	--

Disability:				
Norman S. Rich	555,000	--	145,178	120,000
William R. Mills	170,000	--	1,630	21,076
Death:				
Norman S. Rich	555,000	--	145,178	--
William R. Mills	170,000	--	9,003	--

1. Represents continuation of salary payments through the end of the agreement term at the rate of 100% in the case of a termination without cause or for good reason and 50% in the case of termination due to disability or death.
2. In the case of a termination without cause or for good reason, the amount represents incentive bonuses for 2006, 2007 and 2008 for Mr. Rich and for 2006 and 2007 for Mr. Mills in an amount equal to the highest incentive bonus received by the officer for any of the three years preceding 2006. In the case of retirement, disability or death, the amount shown is the officer's actual incentive bonus for 2006.
3. Represents the estimated cost to the Company of continuing to provide the officer and his spouse with medical, dental, accident, disability and life insurance benefits for the term specified in the agreement.
4. Represents payments to the officer in lieu of SERP contributions for the remaining term of the agreement.

Except as provided in the table, the benefits under the Company's nonqualified retirement plans would not differ from those described under "Nonqualified Deferred Compensation" above.

OTHER INFORMATION CONCERNING THE BOARD OF DIRECTORS

Compensation of Directors

The following table shows the compensation earned by the Company's non-employee directors for services during fiscal 2006.

DIRECTOR COMPENSATION

Name	Fees Earned or Paid in Cash ($)	Total ($)
Michael M. Apfelbaum	35,000	35,000
Richard E. Shulman	35,000	35,000
Steven C. Smith	35,000	35,000

In fiscal 2006, the Company paid non-employee directors a retainer of $8,750 per quarter. There is no additional remuneration for services rendered by directors serving on committees or for participation in the non-management independent director meetings.

Compensation Committee Interlocks and Insider Participation

Messrs. Apfelbaum, Shulman and Smith were not officers or employees of the Company, nor have they had any relationship with the Company requiring disclosure under the SEC regulations except as described below under the "Review and Approval of Related Party Transactions." Jonathan H. Weis is a director, employee and officer of the Company and is not considered independent by NYSE listing standards.

Review and Approval of Related Party Transactions

The Weis Markets, Inc. Code of Business Conduct and Ethics requires any potential conflict of interest to be reported immediately to the Executive Committee of the Board. A member of the Executive Committee with any potential conflict of interest must report it immediately to the Audit Committee. The Executive Committee reports to the Audit Committee, all related parties employed by the Company and related parties employed by other companies the Company had a material relationship with during the year, if any. The Audit Committee is responsible for reviewing and approving the terms and conditions of all related party transactions in accordance with its charter.

Central Properties owns the land under a Company store and an adjacent parking lot in Lebanon, Pennsylvania. The Company leased these properties from Central Properties for $82,142 in fiscal 2006. Central Properties also sold property located in Harrisburg, PA to the Company in 2006, which it had owned since 1961, for $410,000. The shareholders of Central Properties include Michael M. Apfelbaum and certain of his family members, Jonathan H. Weis and Robert F. Weis, each of whom were directors in fiscal 2006.

David Rich, the son of Director Norman S. Rich, is the President of Store Insight, Inc., d/b/a ICC Decision Services, which began providing the Company with a range of quantitative and qualitative research through its mystery shopping programs in fiscal 2006. The Company paid ICC Decision Services $87,312 for these services in fiscal 2006.

Shareholder Communications

Weis Markets, Inc. shareholders may communicate with the Board by sending a letter to: Weis Markets, Inc. Board of Directors, c/o Corporate Secretary, 1000 South Second Street, Sunbury, PA 17801-0471. The Board has instructed the Secretary to review all communications received, and to exercise his discretion not to forward to the Board correspondence that is inappropriate such as business solicitations, frivolous communications and advertising, routine business matters (i.e. business inquiries, complaints or suggestions) and personal grievances. However, any director may at any time request the Secretary to forward any and all communications received by the Secretary but not forwarded to the directors.

Shareholders wishing to communicate directly with the non-management directors as a group may do so by sending a letter to Weis Markets, Inc., c/o Non-Management Directors, 1000 South Second Street, Sunbury, PA 17801-0471.

AUDIT COMMITTEE REPORT

The Audit Committee oversees the Company's financial reporting process on behalf of the Board. Management has the primary responsibility for the financial statements and the reporting process including the systems of internal controls. Management represented to the Audit Committee that the Company's consolidated financial statements were prepared in conformity with accounting principles generally accepted in the United States and the SEC disclosure requirements. In fulfilling its oversight responsibilities, the Audit Committee reviewed the audited financial statements in the Annual Report with management including a discussion of the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the financial statements.

The Audit Committee reviewed with the independent auditors, who are responsible for expressing an opinion on the conformity of those audited financial statements with accounting principles generally accepted in the United States, their judgments as to the quality, not just the acceptability, of the Company's accounting principles and such other matters as are required to be discussed with the Committee in accordance with the standards of the Public Company Accounting Oversight Board (United States). The Audit Committee has received from the independent auditors written disclosures pursuant to Statement on Auditing Standards No. 61, Communication with Audit Committees, and has discussed those matters with the independent auditors. The Audit Committee has also received the written disclosure and the letter from the independent auditors required by Independence Standards Board Standard No. 1, Independence Discussions with Audit Committee, and has discussed with the independent auditors their independence.

The Audit Committee discussed with the Company's Chief Internal Auditor and the independent auditors the overall scope and plans for their respective audits. The Audit Committee meets with the Chief Internal Auditor and the independent auditors, with and without management present, to discuss the results of their examinations, their evaluations of the Company's internal controls and the overall quality of the Company's financial reporting. In performance of its oversight function, the Audit Committee also monitored Company management's compliance with the Sarbanes-Oxley Act of 2002 by discussing with management, the Chief Internal Auditor and the independent registered public accounting firm,

(i) management's assessment of the effectiveness of the Company's internal control over financial reporting as of December 30, 2006 ("Management's Assessment"),

(ii) the Internal Audit Department's and the independent auditor's opinion of Management's Assessment, and

(iii) the independent auditor's opinion of the effectiveness of the Company's internal control over financial reporting as of December 30, 2006.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board (and the Board has approved) that the audited financial statements be included in the Annual Report on Form 10-K for the year ended December 30, 2006 for filing with the SEC. The Audit Committee recommended to the Board, the appointment of Grant Thornton LLP as the Company's independent registered public accounting firm for fiscal 2007, subject to shareholder ratification.

Richard E. Shulman, Committee Chairman
Michael M. Apfelbaum
Steven C. Smith

STOCK OWNERSHIP

Under regulations of the SEC, a person is considered the "beneficial owner" of a security if the person has or shares with others the power to vote the security (voting power) or the power to dispose of the security (investment power). In the tables below, "beneficial ownership" of the Company's Common Stock is determined in accordance with these regulations and does not necessarily indicate that the person listed as a "beneficial owner" has an economic interest in the shares indicated as "beneficially owned."

Beneficial Ownership of Directors and Management

The following table sets forth information regarding the amount and nature of beneficial ownership of the Company's Common Stock as of February 26, 2007 by each director, the proposed nominee and for all executive officers, operating officers and directors as a group. Except as otherwise indicated in the footnotes to the table, the person named or a member of the group has sole voting and investment power with respect to the shares listed.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Robert F. Weis	12,622,034	46.8
Jonathan H. Weis	110,585	*
Norman S. Rich	27,600	*
William R. Mills	5,000	*
Michael M. Apfelbaum	26,821	*
Matthew Nimetz	1,000	*
Richard E. Shulman	285	*
Steven C. Smith	215	*
All executive officers, operating officers and directors as a group (18 persons)	12,808,193	47.5

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* Owns less than 1% of class.

5% Beneficial Owners

The following persons are known by the Company to be the beneficial owners of more than 5% of its Common Stock, which is its only class of voting securities, on February 26, 2007. Information contained in the table and footnotes below was derived from filings made with the SEC by the beneficial owners.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership		Percent of Class
Robert F. Weis c/o Weis Markets, Inc 1000 South Second Street Sunbury, PA 17801	12,622,034	(1), (3)	46.8
Ellen W. P. Wasserman c/o Weis Markets, Inc 1000 South Second Street Sunbury, PA 17801	1,746,424	(2), (3)	6.5

EKTJ Management LLC c/o George Cox 4 North Park Drive Suite 121 Hunt Valley, MD 21030	1,400,000	(4)	5.2

1. Robert F. Weis has sole voting and dispositive power as to all 12,622,034 shares listed. This amount includes 6,649,087 shares held in trust under the Will of Harry Weis, with Mellon Bank, N.A. and Robert F. Weis as co-trustees.

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2. Ellen W. P. Wasserman has sole voting and investment power as to all 1,746,424 shares listed.
3. Robert F. Weis and Ellen W.P. Wasserman have agreed to act together for the purpose of voting their shares of Common Stock and thus constitute a group holding voting power over the sum of the shares listed for each of them individually in the table.
4. EKTJ Management LLC has sole voting and dispositive power as to all 1,400,000 shares listed. The Class A members of EKTJ Management LLC have the exclusive authority to manage and control the business and affairs of EKTJ Management LLC. The three Class A Members, Kathryn J. Zox, Thomas H. Platz and James A. Platz, are the children of Ellen W. P. Wasserman.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires that directors and officers of the Company and beneficial owners of more than 10% of its Common Stock file reports with the SEC with respect to changes in their beneficial ownership of equity securities of the Company. Based solely upon a review of the copies of such reports furnished to the Company and written representations by certain persons that reports on Form 5 were not required, the Company believes that its directors, officers and greater-than-10% beneficial owners complied with all applicable 2006 Section 16(a) filing requirements.

PROPOSAL NO. 2
RATIFICATION OF APPOINTMENT OF
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee, comprised of independent members of the Board, is responsible for approving all audit engagement fees, terms and non-audit engagements with the independent auditors on behalf of the Company in advance of providing any service. The Audit Committee appointed Grant Thornton LLP as the independent auditors of the Company with respect to its operations for the fiscal year 2007, subject to ratification by the holders of Common Stock of the Company. **The Board and its Audit Committee recommend that shareholders approve the selection of Grant Thornton LLP as the Company's independent auditors by voting "FOR" proposal number two.** Representatives of Grant Thornton LLP will be present at the Annual Meeting with the opportunity to make a statement, if they so desire, and to be available to respond to appropriate questions.

The following table sets forth Grant Thornton LLP fees billed to the Company for professional services related to 2006 and 2005:

	2006 ($)	2005 ($)
Audit (1) (2)	449,292	390,690
Tax (3)	26,500	25,000
Subtotal	475,792	415,690
Out of Pocket Expenses	48,882	40,475
Total	524,674	456,165

1. Represents the fees charged to the Company by Grant Thornton LLP for professional services provided in conjunction with the audit of the Company's 2006 and 2005 financial statements, review of the Company's

quarterly financial statements and attestation services normally provided in connection with statutory and regulatory filings and engagements.

2. Fees charged to the Company by Ernst & Young LLP for workpaper review preparation for the successor auditor totaling $4,500 and $11,156 is not included in the table above for 2006 and 2005, respectively.
3. Tax fees consisted of tax compliance and tax filing advisory services.

OTHER MATTERS

As of the date of this Proxy Statement, the Board is not informed of any matters, other than those stated above, that may be brought before the meeting. The persons named in the enclosed form of proxy or their substitutes will vote with respect to any other matters brought before the Annual Meeting in accordance with their best judgment.

ANNUAL REPORT ON FORM 10-K

The Company will provide, without charge, on written request from security holders, copies of the Company's Annual Report on Form 10-K. Written requests should be sent to the Secretary of the Company at the Company's address set forth on page 1.

SHAREHOLDERS' PROPOSALS FOR NEXT ANNUAL MEETING

The Company's by-laws require that any shareholder intending to present a proposal for action at an Annual Meeting must give written notice of the proposal, containing specified information, so that it is received by the Company not later than the notice deadline under the by-law. This notice deadline will generally be 120 days prior to the anniversary date of the Company's Proxy Statement for the previous year's Annual Meeting, or November 10, 2007 for the Company's Annual Meeting in 2008.

The by-law described above does not affect the right of a shareholder to request inclusion of a shareholder proposal in the Company's Proxy Statement pursuant to SEC Rule 14a-8 or to present for action at an Annual Meeting any proposal so included. Rule 14a-8 requires that written notice of a shareholder proposal requested to be included in the Company's proxy materials pursuant to the Rule must also generally be received by the Company not later than 120 days prior to the anniversary date of the Company's Proxy Statement for the previous year's Annual Meeting. For the Company's Annual Meeting in 2008, this deadline would also be November 10, 2007.

The notices of shareholder proposals described under this caption must be given to the Secretary of the Company at the Company's address set forth on page 1. A copy of the by-law provision described above will be furnished to any shareholder upon written request to the Secretary at the same address.

EXPENSES OF SOLICITATION

All expenses related to the solicitation of the proxies by the Board will be paid by the Company. If proxies are not promptly received, officers, directors and regular employees of the Company may solicit proxies personally by telephone or otherwise, for which they will not receive additional compensation. The Company may reimburse charges of banks, brokers, other custodians, nominees and fiduciaries to send proxy material to the beneficial owners and to secure their voting instructions, if necessary. It is estimated that such costs will be nominal.

By Order of the Board of Directors,

Jonathan H. Weis
Secretary

Dated: March 9, 2007