

HORIZON BANCORP /IN/
Form DEF 14A
March 20, 2009

SCHEDULE 14A INFORMATION

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

(Amendment No. _____)

Filed by the Registrant
Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to § 240.14a-12

HORIZON BANCORP

(Name of Registrant as Specified in Its Charter)

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

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- No fee required.
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1) Title of each class of securities to which transaction applies:

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

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March 20, 2009

Dear Shareholder:

You are cordially invited to attend the 2009 Annual Meeting of Shareholders of Horizon Bancorp to be held at the Clarion Inn (formerly the Holiday Inn), 5820 South Franklin Street, Michigan City, Indiana on Thursday, May 7, 2009, at 6:00 p.m. (local time; registration will begin at 5:30 p.m.). To ensure that a quorum will be represented at the meeting, we encourage you to vote promptly using one of the methods described in the Proxy Statement. Voting early will not limit your right to attend the meeting and vote in person.

As we began doing last year, we are taking advantage of the Securities and Exchange Commission rules that allow us to furnish proxy materials to our shareholders by posting the materials on the Internet, and which allow us to provide our shareholders with the information they need, while lowering the cost of delivery and reducing the environmental impact of our Annual Meeting. Our proxy materials are posted at www.cfpproxy.com/5257. On March 20, 2009, we mailed a notice to our shareholders containing instructions on how to access our proxy materials online and on how to vote.

The Notice of Annual Meeting and the Proxy Statement cover the business to come before the meeting, which will be the election of directors, the ratification of the independent auditors and an advisory (non-binding) vote to approve executive compensation. We urge you to read these materials carefully.

The Annual Report for the year ending December 31, 2008 is posted on the Internet, and if you request printed versions of the proxy materials, a copy of the Annual Report will be enclosed with the Notice of Annual Meeting and Proxy Statement.

We look forward to meeting our shareholders, and welcome the opportunity to discuss the business of your company with you.

Craig M. Dwight
President and Chief Executive Officer

Robert C. Dabagia
Chairman of the Board

HORIZON BANCORP
515 Franklin Square
Michigan City, Indiana 46360

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To Be Held on May 7, 2009

To Our Shareholders:

The Annual Meeting of Shareholders of Horizon Bancorp (“Horizon”) will be held on Thursday, May 7, 2009, 6:00 p.m. (local time; registration will begin at 5:30 p.m.), at the Clarion Inn (formerly the Holiday Inn), 5820 South Franklin Street, Michigan City, Indiana.

The Annual Meeting will be held for the following purposes:

1. Election of Directors: The election of four Directors to serve three-year terms expiring in 2012.
2. Ratification of Auditors: The ratification of the appointment of BKD, LLP, as independent auditors for 2009.
3. Advisory Vote on Executive Compensation: The approval of a non-binding, advisory proposal on the compensation of Horizon’s executive officers described in this Proxy Statement.
4. Other Business: The transaction of such other business as may properly come before the meeting or any adjournment of the meeting.

You can vote at the meeting or any adjournment of the meeting if you are a shareholder of record at the close of business on March 2, 2009.

We urge you to read the Proxy Statement carefully so that you may be informed about the business to come before the meeting or any adjournment.

This Notice of Annual Meeting and Proxy Statement are posted on the Internet at www.cfpproxy.com/5257. A copy of our Annual Report for the fiscal year ended December 31, 2008, also is posted on the Internet, and, if you request printed versions of the proxy materials, the Annual Report will be enclosed with this Notice of Annual Meeting and Proxy Statement.

By Order of the Board of Directors

James D. Neff
Secretary
Michigan City, Indiana
March 20, 2009

As shareholders of Horizon, your vote is important. Whether or not you plan to be present in person at the Annual Meeting, it is important that your shares are represented. Please vote as soon as possible.

HORIZON BANCORP
PROXY STATEMENT
ANNUAL MEETING OF SHAREHOLDERS

May 7, 2009

Information About Proxy Materials

Why am I receiving these materials?

The Board of Directors of Horizon Bancorp, an Indiana corporation, is soliciting proxies to be voted at the Annual Meeting of Shareholders to be held on Thursday, May 7, 2009, at 6:00 p.m. (local time). The meeting will be held at the Clarion Inn (formerly Holiday Inn), 5820 South Franklin Street, Michigan City, Indiana. Our Board of Directors has made these materials available to you on the Internet, or, upon your request, has delivered printed versions of these materials to you by mail. We mailed our Notice of Internet Availability of Proxy Materials to our shareholders on March 20, 2009.

What is included in these materials?

These materials include:

Our Proxy Statement for the Annual Meeting; and

Our 2008 Annual Report, which includes our audited consolidated financial statements.

If you requested a paper copy of these materials by mail, a proxy card also was included.

Why did I receive a one-page notice in the mail regarding the Internet availability of proxy materials instead of a full set of proxy materials?

Pursuant to the rules adopted by the Securities and Exchange Commission, we have elected to provide access to our proxy materials over the Internet. Accordingly, we sent our shareholders a Notice of Internet Availability of Proxy Materials. All shareholders receiving the notice have the ability to access the proxy materials over the Internet and to request a paper copy of the proxy materials. Instructions on how to access the proxy materials over the Internet or to request a paper copy may be found in the notice. In addition, the notice contains instructions on how shareholders may request to receive proxy materials in printed form by mail or electronically by email on an ongoing basis.

How can I get electronic access to the proxy materials?

The notice provides you with instructions regarding how to view our proxy materials for the Annual Meeting on the Internet.

Choosing to receive your future proxy materials by email will save us the cost of printing and mailing documents to you and will reduce the impact of our annual shareholders' meetings on the environment. If you choose to receive future proxy materials by email, you will receive an email next year with instructions containing a link to those materials and a link to the proxy voting site. Your election to receive proxy materials by email will remain in effect until you terminate it.

Items of Business

What will the shareholders vote on at the Annual Meeting?

Shareholders will vote on the following three proposals:

- The election of four directors to serve three-year terms;
- The ratification of the appointment of BKD, LLP, as independent auditors for 2009; and
- The approval of a non-binding, advisory proposal on the compensation of Horizon's executive officers described in this Proxy Statement.

Will there be any other items of business on which to vote?

Management is not aware of any other matters to be presented at the meeting other than those mentioned above and has not received notice from any shareholders requesting that other matters be considered.

Voting Information

Who can vote at the Annual Meeting?

Shareholders of record of Horizon Common Shares as of the close of business on March 2, 2009, the record date, may vote at the Annual Meeting. On the record date, Horizon had 3,254,482 Common Shares outstanding and also had 25,000 shares of Series A Fixed Rate Cumulative Perpetual Preferred Stock outstanding. Each Common Share is entitled to one vote on each matter to be voted on at the Annual Meeting.

How do I vote my shares?

There are three ways to vote by proxy prior to the Annual Meeting:

- By Telephone: Shareholders located in the United States can vote by telephone by calling 1-866-874-4877 and following the instructions in the notice;
- By Internet: You can vote over the Internet at www.cfpproxy.com/5257 by following the instructions in the notice; or
- By Mail: You can vote by signing, dating and mailing the proxy card sent to you by mail.

We encourage you to vote over the Internet, by telephone or by mailing the proxy card even if you plan to attend the meeting.

All proxies properly submitted in time to be counted at the Annual Meeting will be voted in accordance with the instructions contained in the proxy. If you submit a proxy without voting instructions, the proxies named in the proxy will vote on your behalf for each matter described below in accordance with the recommendations of the Board of

Directors on Proposals 1, 2 and 3 as set forth in this Proxy Statement and on any other matters in accordance with their best judgment.

If you have shares held by a broker or other nominee, you may instruct the broker or other nominee to vote your shares by following the instructions the broker or other nominee provides to you.

Proxies solicited by this Proxy Statement may be exercised only at the Annual Meeting and any adjournment and will not be used for any other meeting.

Can I vote my shares in person at the meeting?

If you are a shareholder of record as of March 2, 2009, you may vote your shares in person at the meeting.

If your shares are held by a broker or other nominee, you must obtain a proxy from the broker or nominee giving you the right to vote the shares at the meeting.

Can I change my vote after I have voted by telephone, online or mailed my proxy card?

You may change your vote at any time prior to the vote at the Annual Meeting. If you are the shareholder of record, you may change your vote by granting a new proxy bearing a later date (which automatically revokes the earlier proxy), by providing a written notice of revocation to Horizon's Secretary (James D. Neff, 515 Franklin Square, Michigan City, Indiana 46360), or by voting in person at the Annual Meeting.

What constitutes a quorum?

A majority of the outstanding Common Shares, present or represented by proxy, constitutes a quorum for the Annual Meeting. As of March 2, 2009, the record date, 3,254,482 Common Shares were issued and outstanding.

How many votes are required for the election of directors and the other proposals?

The following votes will be required to approve the proposals:

- Directors will be elected by a plurality of the votes cast (Proposal 1).
- The ratification of the independent auditors (Proposal 2) and the advisory vote on executive compensation (Proposal 3) require that more votes be cast in favor of the proposal than against the proposal.

Abstentions and "broker non-votes" (described below) are counted for purposes of determining the presence or absence of a quorum but are not considered votes cast. Abstentions and instructions to withhold authority will result in a nominee for director in Proposal 1 (Election of Directors) receiving fewer votes but will not count as votes "against" the nominee. Neither abstentions nor broker non-votes will affect whether more votes have been cast for than against Proposal 2 (Ratification of Independent Auditors) or Proposal 3 (Advisory Vote on Executive Compensation).

What is a "broker non-vote"?

A "broker non-vote" occurs when a broker submits a proxy that does not indicate a vote on a proposal because the broker has not received instructions from the beneficial owners on how to vote on such proposal and the broker does not have discretionary authority to vote in the absence of instructions. Brokers generally have the authority to vote, even though they have not received instructions, on matters that are considered "routine," such as the election of directors and the ratification of auditors.

Who pays the cost of this proxy solicitation?

Horizon pays the cost of soliciting proxies. Upon request, Horizon will reimburse brokers, dealers, banks, trustees and other fiduciaries for the reasonable expenses they incur in forwarding proxy materials to beneficial owners of the Common Shares. In addition to sending the Notice of Internet Availability of Proxy Materials and requested proxy materials by mail, proxies also may be solicited personally or by telephone or facsimile or electronic mail, by certain directors, officers and employees of Horizon, Horizon Bank, N.A., and their subsidiaries, who will not be specially compensated for such solicitation.

Proposal 1

Election of Directors

The first matter to be acted upon at the Annual Meeting is the election of directors. Horizon’s Board of Directors currently consists of twelve members. As required by Horizon’s Amended and Restated Articles of Incorporation, the Board is divided into three classes of equal or near-equal size and the members of one class of directors are elected to serve three-year terms at each Annual Meeting. The term of Bruce E. Rampage expires at the Annual Meeting. He has moved from Horizon’s market area and is not standing for re-election

Nominees

The terms of Robert C. Dabagia, Peter L. Pairitz and Spero W. Valavanis will end at the Annual Meeting. The Board of Directors has nominated each of them to serve additional three-year terms as members of the Class of 2012. In addition, Lawrence E. Burnell, a current director of the Bank, is being nominated for election to the Horizon Board of Directors as a member of the Class of 2012. Information on the nominees and the other members of the Board of Directors is provided below.

The Board of Directors unanimously recommends that the shareholders vote “FOR” the election of the four nominees

(Item 1 on the Proxy Card)

Members of the Board of Directors

The following table presents biographical information on all of the directors, including the four nominees. All of the directors of Horizon also serve as directors of Horizon Bank, N.A. (the “Bank”).

Name	Age	Business Experience and Service as a Director
Class of 2012		
Lawrence E. Burnell	54	Mr. Burnell is the Chief Financial Officer of White Lodging Services Corporation, a national hotel management and development company. He has served on the Board of Directors of the Bank since September 2007. Mr. Burnell qualifies as an audit committee financial expert under SEC rules.
Robert C. Dabagia	70	

Mr. Dabagia has served as the Chairman of Horizon since 1998. He served as Chief Executive Officer of Horizon and the Bank until July 1, 2001. He has served on Horizon's Board of Directors since 1980.

Peter L. Pairitz

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Mr. Pairitz is a business developer. He has served on Horizon's Board of Directors since 2001 and on the Board of Directors of the Bank since 2000. Mr. Pairitz qualifies as an audit committee financial expert under SEC rules.

Name	Age	Business Experience and Service as a Director
Class of 2012		
Spero W. Valavanis	56	Mr. Valavanis is an architect and the President of Design Organization, Inc., an architecture and interior design firm. He has served on Horizon's Board of Directors since 2000 and on the Board of Directors of the Bank since 1998.
Class of 2011		
Craig M. Dwight	52	Mr. Dwight has served as the Chief Executive Officer of Horizon and the Bank since July 1, 2001, and as the President and Chief Administrative Officer of Horizon and as the Chairman and Chief Executive Officer of the Bank since December 1998. He has served on Horizon's Board of Directors and the Board of Directors of the Bank since 1998.
James B. Dworkin	60	Mr. Dworkin is the Chancellor of Purdue University North Central. He has served on Horizon's Board of Directors since 2003 and on the Board of Directors of the Bank since 2002.
Daniel F. Hopp	61	Mr. Hopp is Senior Vice President, Corporate Affairs, and General Counsel of Whirlpool Corporation. He has served on Horizon's Board of Directors since 2005 and on the Board of Directors of the Bank since 2004.
Robert E. McBride, M.D.	69	Dr. McBride is a retired Pathologist. He has served on the Boards of Directors of Horizon, the Bank and the Bank's predecessor since 1984.
Class of 2010		
Susan D. Aaron	54	Ms. Aaron is the President and Chief Executive Officer of Vision Financial Services, Inc., LaPorte, Indiana, an accounts receivable management business. She has served on Horizon's Board of Directors since 1995 and on the Board of Directors of the Bank since 1993. Ms. Aaron qualifies as an audit committee financial expert under SEC rules.
Charley E. Gillispie	61	Mr. Gillispie is Vice President of Administration and Finance at Valparaiso University. He has served on Horizon's Board of Directors since 2001 and on the Board of Directors of the Bank since 2000. Mr. Gillispie qualifies as an audit committee financial expert under SEC rules.
Larry N. Middleton, Jr.	56	Mr. Middleton is a real estate broker and the President of Century 21 Middleton Co., Inc. in Michigan City, Indiana. He has served on Horizon's Board of Directors since 1995 and on the Board of Directors of the Bank since 1993.
Robert E. Swinehart	66	Mr. Swinehart is the retired President and Chief Operating Officer of Emerson Power Transmission Corp. He has served on Horizon's Board of Directors since 1998 and on the Board of Directors of the Bank since 1996. Mr. Swinehart qualifies as an audit committee financial expert under SEC rules.

Each of the nominees has agreed to serve for the term for which he has been nominated. It is intended that the proxies solicited by the Board of Directors will be voted for the nominees named above. If any nominee is unable to stand for election, the Board of Directors may designate a substitute nominee or adopt a resolution reducing the number of members on the Board. If a substitute nominee is designated, Common Shares represented by proxy will be voted for the substituted nominee.

Corporate Governance

Director Independence

Annually Horizon's Board of Directors considers the independence of each of the directors under the Listing Standards of the NASDAQ Stock Exchange. In determining independence, the Board considers, among other things, current or previous employment relationships as well as material transactions and relationships between Horizon or the Bank and the directors, members of their immediate family and entities in which the directors have a significant interest. The purpose of this review is to determine

whether any relationships or transactions exist or have occurred that are inconsistent with a determination that the director is independent.

The Board of Directors has determined that ten of the twelve members of the Board, including three of the four nominees, qualify as independent directors under the rules of the Securities and Exchange Commission and the NASDAQ Listing Standards. As Chief Executive Officer, Mr. Dwight does not qualify as an independent director. Mr. Dabagia also does not qualify as independent under the NASDAQ Listing Standards since he is considered an employee of Horizon. The independent directors are Susan D. Aaron, Lawrence E. Burnell, James B. Dworkin, Charley E. Gillispie, Daniel F. Hopp, Dr. Robert E. McBride, Larry N. Middleton, Peter L. Pairitz, Robert E. Swinehart and Spero W. Valavanis.

Members of the Audit, Compensation and Nominating Committee must meet all applicable independence tests of the NASDAQ Stock Exchange and Securities and Exchange Commission.

Communications with Directors

Shareholders may communicate directly to the Board of Directors or individual members of the Board of Directors in writing by sending a letter to the Board at: Horizon Bancorp Board of Directors, 515 Franklin Square, Michigan City, Indiana 46360. All communications directed to the Board of Directors will be transmitted to the Chairman of the Board of Directors or other director identified in the communication without any editing or screening.

Shareholders also may communicate concerns, suggestions or questions to any member of the Board of Directors or member of Senior Management by logging onto the www.ethicspoint.com website from any computer at any time or by calling the toll-free hotline number, 866-294-4694. Ethicspoint is a worldwide, confidential and anonymous web and telephone reporting system that allows shareholders, customers, vendors and employees the ability to report concerns, as well as pose questions and suggestions confidentially and anonymously. Ethicspoint is fully compliant with reporting requirements such as those mandated by the Sarbanes-Oxley Act, Section 301. All communications received through Ethicspoint, either by web or telephone, are transmitted directly to the Chairperson of the Board of Directors Audit Committee and designated members of Senior Management, without editing or screening.

Code of Ethics

Horizon's Code of Ethics for Executive Officers and Directors supplements the Horizon Bancorp and Horizon Bank, N.A. Advisor Code of Conduct and Ethics applicable to all employees, including officers. Horizon's Code of Ethics for Executive Officers and Directors is available on our website at www.accesshorizon.com in the section headed "Investor Relations" under the caption "Corporate Governance."

Director Nomination Procedures

Horizon's Bylaws provide that any of the following may nominate director candidates: the Board of Directors, a nominating committee of the Board, any person appointed and authorized by the Board to make nominations, or any shareholder entitled to vote for the election of directors who has complied with the notice procedures specified in the Bylaws.

Horizon's Bylaws provide that nominations by shareholders must be made in writing and must be received at Horizon's principal executive office not fewer than 120 days in advance of the date the Proxy Statement was released to

shareholders in connection with the previous year's Annual Meeting. Shareholder nominations must include the detailed information about the nominee required by the Bylaws

and also must comply with the other requirements set forth in the Bylaws. The Nominating Committee does not have a separate policy for considering director candidates recommended by shareholders because the director nomination procedures are set forth in Horizon's Bylaws.

Horizon's Bylaws provide that the chair of the Annual Meeting may, in his or her discretion, disregard nominations that are not made in accordance with the Bylaws and may instruct the tellers to disregard all votes cast for any such nominee. A complete copy of the applicable provisions of Horizon's Bylaws is available to shareholders without charge upon request to the Secretary.

Meetings of the Board of Directors and Committees

Horizon's Board of Directors held thirteen meetings during 2008. Each director attended 75% or more of the total number of meetings of the Board and the committees upon which he or she served. Horizon and its subsidiaries have joint standing committees. These committees include the Audit Committee, the Compensation Committee and the Nominating Committee. Executive sessions of the independent directors are held at least four times a year.

Although Horizon does not have a policy regarding the attendance of directors at the Annual Meeting of Shareholders, Horizon encourages directors to attend the Annual Meeting. Seven of the twelve members of the Board of Directors attended the 2008 Annual Meeting.

Nominating Committee

The members of the Nominating Committee are appointed by the Board of Directors in May of each year. The members of the Nominating Committee for 2008/2009 are Mr. Pairitz, who serves as Chairperson, and Mr. Hopp, Dr. McBride and Mr. Swinehart. All of the members of the Nominating Committee qualify as independent directors under the rules applicable to NASDAQ-listed companies. The Nominating Committee met three times during 2008. The responsibilities of the Nominating Committee of the Board of Directors include selecting the individuals to be nominated for membership on the Board of Directors and overseeing the annual self-evaluations by the Board and its committees.

The Nominating Committee selects a slate of nominees and then recommends those nominees to the Board of Directors. The entire Board of Directors determines who the nominees will be. The Nominating Committee and the Board select nominees who meet the qualifications set forth in Horizon's Bylaws and the applicable independence requirements under the SEC and NASDAQ rules. The Nominating Committee Charter is posted on our website at www.accesshorizon.com in the section headed "Investor Relations" under the caption "Corporate Governance."

Audit Committee

Audit Committee members serve one-year terms and are appointed at the Annual Meeting of Directors in May of each year. The Audit Committee members for 2008/2009 are Mr. Gillispie, who serves as Chairperson, Mr. Dworkin, Dr. McBride and Mr. Rampage (until his term ends at the Annual Meeting). In addition, Mr. Swinehart serves as an alternate member of the Committee. The alternate member provides additional Committee expertise and support as needed. The Audit Committee met four times in 2008. The purpose of the Audit Committee is to assist the Boards of Directors of Horizon and the Bank in fulfilling their statutory and fiduciary responsibilities with respect to examinations of Horizon, the Bank and their affiliates and the monitoring of accounting, auditing and financial reporting practices. The Audit Committee reviews the internal audit procedure of Horizon and the Bank and

recommends to the Boards of Directors the engagement of outside and internal auditing firms.

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Horizon's Board of Directors has determined that directors Charley E. Gillispie and Robert E. Swinehart qualify as "audit committee financial experts" as defined by the SEC rules. Mr. Gillispie has a Bachelor of Arts degree in Business Administration and an M.B.A. in accounting, and is a registered certified public accountant. He has seventeen years of public accounting experience. Mr. Swinehart has an M.B.A. and his experience includes serving with companies in the positions of controller, president and chief operating officer and having responsibility for financial reporting and analysis.

All of the members of the Audit Committee, including Mr. Gillispie, qualify as independent directors as defined by the SEC rules and NASDAQ listing standards.

The Board of Directors adopted a written charter for the Audit Committee in 2001. The charter was revised in 2007 and in 2008, and the current charter is posted on our website at www.accesshorizon.com in the section headed "Investor Relations" under the caption "Corporate Governance."

Compensation Committee

Compensation Committee members serve one-year terms and are appointed at the Annual Meeting of Directors in May of each year. The members of the Compensation Committee for 2008/2009 are Mr. Pairitz, who serves as Chairperson, and Mr. Hopp, Dr. McBride and Mr. Swinehart. Ms. Aaron serves as an alternate to the Committee to provide additional expertise and support as needed. All of the members of the Compensation Committee qualify as independent directors under the rules applicable to NASDAQ-listed companies. The Compensation Committee met four times in 2008. The Committee reviews all salary and employee benefit issues relating to employees and directors of Horizon, the Bank and their affiliates. The Compensation Committee has adopted a charter, which is posted on our website at www.accesshorizon.com in the section headed "Investor Relations" under the caption "Corporate Governance."

Compensation Committee Interlocks and Insider Participation

All of the members of the Compensation Committee are independent and no member of the Compensation Committee has served as an officer or employee of Horizon, the Bank or any of our other subsidiaries. None of the members of the Compensation Committee serves as an executive officer of another entity at which one of our executive officers serves as a member of the Board of Directors. No member of the Compensation Committee has had any relationship with Horizon requiring disclosure under Item 404 of SEC Regulation S-K, which requires the disclosure of certain related person transactions.

Compensation Consultants

The Compensation Committee has the authority under its charter to retain outside consultants to provide assistance. In accordance with this authority, the Compensation Committee has engaged Frederic W. Cook & Co., Inc. ("Cook & Co.") in recent years. A primary function of the consultant is to provide market data to the Committee concerning compensation of comparable companies in order to assist the Committee in determining whether the compensation system is a reasonable and appropriate means to achieve Horizon's business objectives.

During 2007, the Compensation Committee engaged Cook & Co. to assist in the review of the reasonableness of total compensation for the Chief Executive Officer, Chief Financial Officer and other top officers of Horizon. In 2007, 2005, 2003 and 2002, the Compensation Committee engaged Cook & Co. to conduct a peer review of executive compensation. The Cook & Co. reviews are conducted at least every three years and are used to augment other data

obtained annually in determining the reasonableness