

VIAD CORP

FORM 8-K (Current report filing)

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Sector	Services
Fiscal Year	12/31

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

December 6, 2006

Date of Report (Date of earliest event reported)

VIAD CORP

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation)

001-11015

(Commission
File Number)

36-1169950

(IRS Employer
Identification No.)

1850 North Central Avenue, Suite 800, Phoenix, Arizona

(Address of principal executive offices)

85004-4545

(Zip Code)

Registrant's telephone number, including area code: (**602**) **207-4000**

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT

On November 30, 2006, the Board of Directors of Viad Corp (the “Company”) approved amendments, effective November 30, 2006, to the Company’s Amended and Restated Executive Severance Plans (First and Second Tier) (the “Plans”). The amendments to Section 7(a) of the Plans revised the formula to determine an executive’s payout upon triggering events, and such amendments have the effect of decreasing the amount of the payout.

A copy of the forms of Viad Corp Amended and Restated Executive Severance Plans (First and Second Tier), amended as of November 30, 2006, is attached hereto as Exhibit 10.A, and is incorporated by reference herein.

Item 1.02 TERMINATION OF A MATERIAL DEFINITIVE AGREEMENT

The Board also approved, effective November 30, 2006, the termination of the Amended and Restated Executive Severance Agreement between the Company and Mr. Robert H. Bohannon, Chairman of the Board of the Company, as requested by Mr. Bohannon.

Item 5.03 AMENDMENTS TO ARTICLES OF INCORPORATION OR BYLAWS; CHANGE IN FISCAL YEAR

The Board also approved amendments to the Company’s bylaws, effective as of December 1, 2006, to change the vote standard in uncontested elections of directors from plurality to a majority of votes cast. A majority of votes cast means that the number of shares voted “for” a director must exceed the number of votes cast “against” that director. In contested elections where the number of nominees exceeds the number of directors to be elected, the Company will continue to apply the plurality vote standard.

The amendments to the bylaws further provide that if a nominee who already serves as a director is not elected by a majority vote, then the director will be obligated to tender his or her resignation to the Board. The Corporate Governance and Nominating Committee of the Board will make a recommendation to the Board on whether to accept or reject the resignation, or whether other action should be taken. The Board will be required to publicly disclose its decision and the rationale behind it within 90 days of the certification of the election results. The director who tenders his or her resignation will not participate in the Board’s decision.

The changes to the Company’s bylaws were made by modifying Section 2.8 (Procedures for Election of Directors) and adding a new Section 3.10 (Majority Voting).

The amended bylaws are attached hereto as Exhibit 3 and are incorporated by reference herein.

Item 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits

- 3- Copy of Bylaws of Viad Corp effective as of December 1, 2006.
 - 10.A- Copy of forms of Viad Corp Amended and Restated Executive Severance Plans (First and Second Tier) covering certain employees, amended as of November 30, 2006.
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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

VIAD CORP
(Registrant)

December 6, 2006

By: /s/ G. Michael Latta
G. Michael Latta
Vice President - Controller
(Chief Accounting Officer and Authorized
Signer)

**BYLAWS
OF
VIAD CORP**

**INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE
EFFECTIVE AS OF DECEMBER 1, 2006**

ARTICLE I

OFFICES AND RECORDS

Section 1.1. Delaware Office. The principal office of the Corporation in the State of Delaware shall be located in the City of Wilmington, County of New Castle, and the name and address of its registered agent is The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware.

Section 1.2. Other Offices. The Corporation may have such other offices, either within or without the State of Delaware, as the Board of Directors may designate or as the business of the Corporation may from time to time require.

Section 1.3. Books and Records. The books and records of the Corporation may be kept at the Corporation's headquarters in Phoenix, Arizona or at such other locations as may from time to time be designated by the Board of Directors.

ARTICLE II

STOCKHOLDERS

Section 2.1. Annual Meeting. The annual meeting of the stockholders of the Corporation shall be held on the third Tuesday in May of each year, if not a legal holiday, and if a legal holiday then on the next succeeding business day, at 9:00 a.m., local time, at the principal executive offices of the Corporation, or at such other date, place and/or time as may be fixed by resolution of the Board of Directors.

Section 2.2. Special Meeting. Subject to the rights of the holders of the Series \$4.75 Preferred Stock, without par value but with a stated value of \$100 per share (the "\$4.75 Preferred Stock"), any series of preferred stock, par value \$.01 per share (the "Preferred Stock"), or any other series or class of stock as set forth in the Certificate of Incorporation of the Corporation to elect additional directors under specified circumstances, special meetings of the stockholders may be called only by the Chairman of the Board or by the Board of Directors pursuant to a resolution adopted by a majority of the total number of directors which the Corporation would have if there were no vacancies (the "Whole Board").

Section 2.3. Place of Meeting. The Board of Directors may designate the place of meeting for any meeting of the stockholders. If no designation is made by the Board of Directors, the place of meeting shall be the principal office of the Corporation.

Section 2.4. Notice of Meeting. Written or printed notice, stating the place, day and hour of the meeting and the purpose or purposes for which the meeting is called, shall be prepared and delivered by the Corporation not less than ten days nor more than sixty days before the date of the meeting, either personally, or by mail, to each stockholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail with postage thereon prepaid, addressed to the stockholder at his address as it appears on the stock transfer books of the Corporation. Such further notice shall be given as may be required by law. Meetings may be held without notice if all stockholders entitled to vote are present, or if notice is waived by those not present. Any previously scheduled meeting of the stockholders may be postponed by resolution of the Board of Directors upon public notice given prior to the time previously scheduled for such meeting of stockholders.

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Section 2.5. Quorum and Adjournment. Except as otherwise provided by law or by the Certificate of Incorporation, the holders of a majority of the voting power of the outstanding shares of the Corporation entitled to vote generally in the election of directors (the "Voting Stock"), represented in person or by proxy, shall constitute a quorum at a meeting of stockholders, except that when specified business is to be voted on by a class or series voting as a class, the holders of a majority of the shares of such class or series shall constitute a quorum for the transaction of such business. The chairman of the meeting or a majority of the voting power of the shares of Voting Stock so represented may adjourn the meeting from time to time, whether or not there is such a quorum (or in the case of specified business to be voted on a class or series, the chairman or a majority of the shares of such class or series so represented may adjourn the meeting with respect to such specified business). No notice of the time and place of adjourned meetings need be given except as required by law. The stockholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

Section 2.6. Proxies. At all meetings of stockholders, a stockholder may vote by proxy executed in writing by the stockholder or as otherwise permitted by law, or by his duly authorized attorney-in-fact. Such proxy must be filed with the Secretary of the Corporation or his representative at or before the time of the meeting.

Section 2.7. Notice of Stockholder Business and Nominations.

(A) *Annual Meetings of Stockholders.* (1) Nominations of persons for election to the Board of Directors of the Corporation and the proposal of business to be considered by the stockholders may be made at an annual meeting of stockholders (a) pursuant to the Corporation's notice of meeting delivered pursuant to Section 2.4 of these Bylaws, (b) by or at the direction of the Chairman or the Board of Directors or (c) by any stockholder of the Corporation who is entitled to vote at the meeting, who complied with the notice procedures set forth in clauses (2) and (3) of this paragraph (A) and this Bylaw and who was a stockholder of record at the time such notice is delivered to the Secretary of the Corporation.

(2) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (c) of paragraph (A)(1) of this Bylaw, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation. To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the Corporation not less than ninety days nor more than one hundred twenty days prior to the first anniversary of the preceding year's annual meeting; *provided, however*, that in the event that the date of the annual meeting is advanced by more than thirty days, or delayed by more than sixty days, from such anniversary date, notice by the stockholder to be timely must be so delivered not earlier than the one hundred twentieth day prior to such annual meeting and not later than the close of business on the later of the ninetieth day prior to such annual meeting or the tenth day following the day on which public announcement of the date of such meeting is first made. Such stockholder's notice shall set forth (a) as to each person whom the stockholder proposes to nominate for election or reelection as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected; (b) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (c) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner and (ii) the class and number of shares of the Corporation which are owned beneficially and of record by such stockholder and such beneficial owner.

(3) Notwithstanding anything in the second sentence of paragraph (A) (2) of this Bylaw to the contrary, in the event that the number of directors to be elected to the Board of Directors of the Corporation is increased and there is no public announcement naming all of the nominees for director or specifying the size of the increased Board of Directors made by the Corporation at least eighty days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this Bylaw shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the tenth day following the day on which such public announcement is first made by the Corporation.

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(B) *Special Meetings of Stockholders.* Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting pursuant to Section 2.4 of these Bylaws. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting (a) by or at the direction of the Board of Directors or (b) by any stockholder of the Corporation who is entitled to vote at the meeting, who complies with the notice procedures set forth in this Bylaw and who is a stockholder of record at the time such notice is delivered to the Secretary of the Corporation. Nominations by stockholders of persons for election to the Board of Directors may be made at such a special meeting of stockholders if the stockholder's notice as required by paragraph (A) (2) of this Bylaw shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the one hundred twentieth day prior to such special meeting and not later than the close of business on the later of the ninetieth day prior to such special meeting or the tenth day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting.

(C) *General.* (1) Only persons who are nominated in accordance with the procedures set forth in this Bylaw shall be eligible to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Bylaw. Except as otherwise provided by law, the Restated Certificate of Incorporation or these Bylaws, the chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made in accordance with the procedures set forth in this Bylaw and, if any proposed nomination or business is not in compliance with this Bylaw, to declare that such defective proposal or nomination shall be disregarded.

(2) For purposes of this Bylaw, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Sections 13, 14 or 15(d) of the Exchange Act.

(3) Notwithstanding the foregoing provisions of this Bylaw, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Bylaw. Nothing in this Bylaw shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

Section 2.8. Procedure for Election of Directors. Election of directors at all meetings of the stockholders at which directors are to be elected shall be by written ballot, and, except as otherwise set forth in the Certificate of Incorporation with respect to the right of the holders of the \$4.75 Preferred Stock, any series of Preferred Stock or any other series or class of stock to elect additional directors under specified circumstances, by a majority of the votes cast thereat as provided in Article III, Section 3.10. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, all matters submitted to the stockholders at any meeting shall be decided by a majority of the votes cast with respect thereto.

Section 2.9. Inspectors of Elections; Opening and Closing the Polls.

(A) The Board of Directors by resolution shall appoint one or more inspectors, which inspector or inspectors may include individuals who serve the Corporation in other capacities, including, without limitation, as officers, employees, agents or representatives of the Corporation, to act at the meeting and make a written report thereof. One or more persons may be designated as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate has been appointed to act, or if all inspectors or alternates who have been appointed are unable to act, at a meeting of stockholders, the chairman of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before discharging his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall have the duties prescribed by the General Corporation Law of the State of Delaware.

(B) The chairman of the meeting shall fix and announce at the meeting the date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting.

Section 2.10. No Stockholder Action by Written Consent. Subject to the rights of the holders of the \$4.75 Preferred Stock, any series of Preferred Stock or any other series or class of stock as set forth in the

Certificate of Incorporation to elect additional directors under specific circumstances, any action required or permitted to be taken by the stockholders of the Corporation must be effected at an annual or special meeting of stockholders of the Corporation and may not be effected by any consent in writing by such stockholders.

ARTICLE III

BOARD OF DIRECTORS

Section 3.1. General Powers. The business and affairs of the Corporation shall be managed by or under the direction of its Board of Directors. In addition to the powers and authorities by these Bylaws expressly conferred upon them, the Board of Directors may exercise all such powers of the Corporation and do all such lawful acts and things as are not by law or by the Certificate of Incorporation or by these Bylaws required to be exercised or done by the stockholders.

Section 3.2. Number, Tenure and Qualifications. Subject to the rights of the holders of the \$4.75 Preferred Stock, any series of Preferred Stock, or any other series or class of stock as set forth in the Certificate of Incorporation, to elect directors under specified circumstances, the number of directors shall be fixed from time to time exclusively pursuant to a resolution adopted by a majority of the Whole Board, but shall consist of not more than seventeen nor less than three directors. The directors, other than those who may be elected by the holders of the \$4.75 Preferred Stock, any series of Preferred Stock, or any other series or class of stock as set forth in the Certificate of Incorporation, shall be divided, with respect to the time for which they severally hold office, into three classes, as nearly equal in number as possible, with the term of office of the first class to expire at the 1992 annual meeting of stockholders, the term of office of the second class to expire at the 1993 annual meeting of stockholders and the term of office of the third class to expire at the 1994 annual meeting of stockholders. Each director shall hold office until his or her successor shall have been duly elected and qualified. At each annual meeting of stockholders, commencing with the 1992 annual meeting, (i) directors elected to succeed those directors whose terms then expire shall be elected for a term of office to expire at the third succeeding annual meeting of stockholders after their election, with each director to hold office until his or her successor shall have been duly elected and qualified, and (ii) if authorized by a resolution of the Board of Directors, directors may be elected to fill any vacancy on the Board of Directors, regardless of how such vacancy shall have been created.

Notwithstanding the foregoing, no outside director shall be nominated by the Board of Directors for election as a director for another term of office unless such term of office shall begin before he attains age 75, provided, however, that any outside director who had attained age 65 on May 10, 1983 may be nominated by the Board of Directors for election as a director for another term of office unless such term of office shall begin before he attains age 72; and no inside director's term of office shall continue after he attains age 65 or after the termination of his services as an officer or employee of the Corporation, unless such continuance is approved by a majority of the outside directors on the Board of Directors at the time the disqualifying event occurs and each time thereafter that such inside director is nominated for reelection. The term "outside director" means any person who has never served as an officer or employee of the Corporation or an affiliate and the term "inside director" means any director who is not an "outside director." Any person who is ineligible for re-election as a director under this paragraph may, by a majority vote of the Board of Directors, be designated as a "Director Emeritus" and as such shall be entitled to receive notice of, and to attend meetings of, the Board of Directors, but shall not vote at such meetings.

Section 3.3. Regular Meetings. A regular meeting of the Board of Directors shall be held without other notice than this Bylaw immediately after, and at the same place as, each annual meeting of stockholders. The Board of Directors may, by resolution, provide the time and place for the holding of additional regular meetings without other notice than such resolution.

Section 3.4. Special Meetings. Special meetings of the Board of Directors shall be called at the request of the Chairman of the Board, the President and Chief Executive Officer or a majority of the Board of Directors. The person or persons authorized to call special meetings of the Board of Directors may fix the place and time of the meetings.

Section 3.5. Notice. Notice of any special meeting shall be given to each director at his business or residence in writing or by telegram or by telephone communication. If mailed, such notice shall be deemed adequately delivered when deposited in the United States mails so addressed, with postage thereon prepaid, at least five days before such meeting. If by telegram, such notice shall be deemed adequately delivered when the telegram is delivered to the telegraph company at least twenty-four hours before such meeting. If by facsimile transmission, such notice shall be transmitted at least twenty-hours before such meeting. If by telephone, the notice shall be given at least twelve hours prior to the time set for the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice of such meeting, except for amendments to these Bylaws as provided under Section 7.1 of Article VII hereof. A meeting may be held at any time without notice if all the directors are present or if those not present waive notice of the meeting in writing, either before or after such meeting.

Section 3.6. Quorum. A whole number of directors equal to at least a majority of the Whole Board shall constitute a quorum for the transaction of business, but if at any meeting of the Board of Directors there shall be less than a quorum present, a majority of the directors present may adjourn the meeting from time to time without further notice. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. The directors present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough directors to leave less than a quorum.

Section 3.7. Vacancies. Subject to the rights of the holders of the \$4.75 Preferred Stock, any series of Preferred Stock or any other series or class of stock, as set forth in the Certificate of Incorporation, to elect additional directors under specified circumstances, and unless the Board of Directors otherwise determines, vacancies resulting from death, resignation, retirement, disqualification, removal from office or other cause, and newly created directorships resulting from any increase in the authorized number of directors, may be filled only by the affirmative vote of a majority of the remaining directors, though less than a quorum of the Board of Directors, and directors so chosen shall hold office for a term expiring at the annual meeting of stockholders at which the term of office of the class to which they have been elected expires and until such director's successor shall have been duly elected and qualified. No decrease in the number of authorized directors constituting the Whole Board shall shorten the term of any incumbent director.

Section 3.8. Chairman of the Board. The Board of Directors may elect from its members a Chairman of the Board of Directors. If a Chairman of the Board of Directors has been elected and is present, such Chairman shall preside at all meetings of the Board of Directors and stockholders. The Chairman of the Board shall have such other powers and perform such other duties as the Board of Directors may determine, including (if the Chairman of the Board is not the Chief Executive Officer) providing advice and counsel to the Chief Executive Officer and other members of senior management in areas such as corporate and strategic planning and policy, mergers and acquisitions, investor relations and other areas requested by the Board of Directors. Except where by law the signature of the Chief Executive Officer or President is required, the Chairman of the Board of Directors shall possess, where duly authorized by the Board of Directors, the same power as the Chief Executive Officer or President to sign all certificates, contracts, and other instruments of the Corporation. The Chairman of the Board of Directors shall make reports to the Board of Directors and shall perform all such other duties as are properly required of the Chairman by the Board of Directors.

Section 3.9. Removal. Subject to the rights of the holders of the \$4.75 Preferred Stock, any series of Preferred Stock or any other series or class of stock, as set forth in the Certificate of Incorporation, to elect additional directors under specified circumstances, any director, or the entire Board of Directors, may be removed from office at any time, but only for cause and only by the affirmative vote of the holders of at least 80 percent of the voting power of the then outstanding Voting Stock, voting together as a single class.

Section 3.10 Majority Voting. Except as provided in Section 3.7 of this Article, each director shall be elected by the vote of the majority of the votes cast with respect to the director at any meeting for the election of directors at which a quorum is present, provided that if the number of nominees exceeds the number of directors to be elected, the directors shall be elected by the vote of a plurality of the shares represented in person or by proxy at any such meeting and entitled to vote on the election of directors. For purposes of this Section, a majority of the votes cast means that the number of shares voted "for" a director must exceed 50% of the votes cast with respect to that director. If a director is not elected, the director shall offer to tender his or her resignation to the Board. The Corporate Governance and Nominating Committee will make a recommendation to the Board on whether to accept or reject the resignation, or whether other action should be taken. The Board

will act on the Committee's recommendation and publicly disclose its decision and the rationale behind it within 90 days from the date of the certification of the election results. The director who tenders his or her resignation will not participate in the Board's decision.

ARTICLE IV

OFFICERS

Section 4.1. Elected Officers. The elected officers of the Corporation shall be a President and Chief Executive Officer, a Secretary, a Treasurer, and such other officers as the Board of Directors from time to time may deem proper. The Chairman of the Board shall be chosen from the directors. All officers chosen by the Board of Directors shall each have such powers and duties as generally pertain to their respective offices, subject to the specific provisions of this Article IV. Such officers shall also have such powers and duties as from time to time may be conferred by the Board of Directors or by any committee thereof.

Section 4.2. Election and Term of Office. The elected officers of the Corporation shall be elected annually by the Board of Directors at the regular meeting of the Board of Directors held after each annual meeting of the stockholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as convenient. Subject to Section 4.7 of these Bylaws, each officer shall hold office until his successor shall have been duly elected and shall have qualified or until his death or until he shall resign.

Section 4.3. President and Chief Executive Officer. The President and Chief Executive Officer shall be responsible for the general management of the affairs of the Corporation and shall perform all duties incident to his office that may be required by law and all such other duties as are properly required of him by the Board of Directors. The President and Chief Executive Officer shall make reports to the Board of Directors, and shall perform all such other duties as are properly required of him by the Board of Directors, and shall see that all orders and resolutions of the Board of Directors and of any committee thereof are carried into effect. The President and Chief Executive Officer may sign, alone or with the Secretary, or an Assistant Secretary, or any other proper officer of the Corporation authorized by the Board of Directors, certificates, contracts, and other instruments of the Corporation as authorized by the Board of Directors.

Section 4.4. Secretary. The Secretary shall give, or cause to be given, notice of all meetings of stockholders and Directors and all other notices required by law or by these Bylaws, and in case of his absence or refusal or neglect so to do, any such notice may be given by any person thereunto directed by the Chairman of the Board or the President and Chief Executive Officer, or by the Board of Directors, upon whose request the meeting is called as provided in these Bylaws. He shall record all the proceedings of the meetings of the Board of Directors, any committees thereof and the stockholders of the Corporation in a book to be kept for that purpose, and shall perform such other duties as may be assigned to him by the Board of Directors, the Chairman of the Board or the President and Chief Executive Officer. He shall have the custody of the seal of the Corporation and may affix the same to all instruments requiring it, and attest to the same.

Section 4.5. Treasurer. The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate account of receipts and disbursements in books belonging to the Corporation. The Treasurer shall deposit all moneys and other valuables in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, the Chairman of the Board, or the President and Chief Executive Officer, taking proper vouchers for such disbursements. The Treasurer shall render to the Chairman of the Board, the President and Chief Executive Officer and the Board of Directors, whenever requested, an account of all his transactions as Treasurer and of the financial condition of the Corporation. If required by the Board of Directors, the Treasurer shall give the Corporation a bond for the faithful discharge of his duties in such amount and with such surety as the Board of Directors shall prescribe.

Section 4.6. Removal. Any officer elected by the Board of Directors may be removed by a majority of the members of the Whole Board whenever, in their judgment, the best interests of the Corporation would be served thereby. No elected officer shall have any contractual rights against the Corporation for compensation by virtue of such election beyond the date of the election of his successor, his death, his resignation or his removal, whichever event shall first occur, except as otherwise provided in an employment contract or an employee plan.

Section 4.7. Vacancies. A newly created office and a vacancy in any office because of death, resignation, or removal may be filled by the Board of Directors for the unexpired portion of the term at any meeting of the Board of Directors.

ARTICLE V

STOCK CERTIFICATES AND TRANSFERS

Section 5.1. Stock Certificates and Transfers

(A) The interest of each stockholder of the Corporation shall be evidenced by certificates for shares of stock in such form as the appropriate officers of the Corporation may from time to time prescribe, provided, that the Board of Directors may provide by resolution or resolutions that some or all of any or all classes or series of the stock of the Corporation shall be uncertificated shares. Notwithstanding the adoption of such a resolution by the Board of Directors, every holder of uncertificated shares shall be entitled to have a certificate signed by, or in the name of the corporation by the Chairman or Vice-Chairman of the Board of Directors, or the President and Chief Executive Officer or a Vice-President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the Corporation representing the number of shares registered in certificate form. Except as otherwise expressly provided by law, the rights and obligations of the holders of uncertificated stock and the rights and obligations of the holders of certificates representing stock of the same class and series shall be identical.

(B) The certificates of stock shall be signed, countersigned and registered in such manner as the Board of Directors may by resolution prescribe, which resolution may permit all or any of the signatures on such certificates to be in facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

(C) The shares of the stock of the Corporation represented by certificates shall be transferred on the books of the Corporation by the holder thereof in person or by his attorney, upon surrender for cancellation of certificates for the same number of shares, with an assignment and power of transfer endorsed thereon or attached thereto, duly executed, with such proof of the authenticity of the signature as the corporation or its agents may reasonably require. Upon receipt of proper transfer instructions from the registered owner of uncertificated shares such uncertificated shares shall be canceled and issuance of new equivalent uncertificated shares or certificated shares shall be made to the person entitled thereto and the transaction shall be recorded upon the books of the Corporation. Within a reasonable time after the issuance or transfer of uncertificated stock, the corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates pursuant to the Delaware General Corporation Law or, unless otherwise provided by the Delaware General Corporation Law, a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

Section 5.2. Lost, Stolen, or Destroyed Certificates. No Certificate for shares or uncertificated shares of stock in the Corporation shall be issued in place of any certificate alleged to have been lost, destroyed or stolen, except on production of such evidence of such loss, destruction or theft and on delivery to the Corporation of a bond of indemnity in such amount, upon such terms and secured by such surety, as the Board of Directors or any financial officer may in its or his discretion require.

ARTICLE VI

MISCELLANEOUS PROVISIONS

Section 6.1. Fiscal Year. The fiscal year of the Corporation shall begin on the first day of January and end on the thirty-first day of December of each year.

Section 6.2. Dividends. The Board of Directors may from time to time declare, and the Corporation may pay, dividends on its outstanding shares in the manner and upon the terms and conditions provided by law and its Restated Certificate of Incorporation.

Section 6.3. Seal. The corporate seal shall be in circular form and shall have inscribed thereon the name of the Corporation and the words "Corporate Seal—Delaware."

Section 6.4. Waiver of Notice. Whenever any notice is required to be given to any stockholder or director of the Corporation under the provisions of the General Corporation Law of the State of Delaware, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at, nor the purpose of, any annual or special meeting of the stockholders of the Board of Directors need be specified in any waiver of notice of such meeting.

Section 6.5. Audits. The accounts, books and records of the Corporation shall be audited upon the conclusion of each fiscal year by an independent certified public accountant appointed by the Audit Committee of the Board of Directors, and it shall be the duty of the Board of Directors to cause such audit to be made annually.

Section 6.6. Resignations. Any director or any officer, whether elected or appointed, may resign at any time by serving written notice of such resignation on the Chairman of the Board, the President and Chief Executive Officer or the Secretary, and such resignation shall be deemed to be effective as of the close of business on the date said notice is received by the Chairman of the Board, the President and Chief Executive Officer, or the Secretary or at such later date as is stated therein. No formal action shall be required of the Board of Directors or the stockholders to make any such resignation effective.

Section 6.7. Indemnification and Insurance. (A) Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit, or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she or a person of whom he or she is the legal representative is or was a director, officer or employee of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of any other corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer, employee or agent, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment), against all expense, liability and loss (including, without limitation, attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred by such person in connection therewith and such indemnification shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of his or her heirs, executors and administrators; *provided, however*, that except as provided in paragraph (B) of this Bylaw with respect to proceedings seeking to enforce rights to indemnification, the Corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board of Directors of the Corporation.

(B) If a claim under paragraph (A) of this Bylaw is not paid in full by the Corporation within thirty days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Corporation) that the claimant has not met the standards of conduct which make it permissible under the General Corporation Law of the State of Delaware for the Corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel or stockholders) to have made a determination prior to the

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commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the General Corporation Law of the State of Delaware, nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel or stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

(C) Following any "change in control" of the Corporation of the type required to be reported under Item 1 of Form 8-K promulgated under the Exchange Act, any determination as to entitlement to indemnification shall be made by independent legal counsel selected by the claimant, which independent legal counsel shall be retained by the Board of Directors on behalf of the Corporation.

(D) The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Bylaw shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, Bylaws, agreement, vote of stockholders or disinterested directors or otherwise.

(E) The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the General Corporation Law of the State of Delaware.

(F) The Corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification, and rights to be paid by the Corporation the expenses incurred in defending any proceeding in advance of its final disposition, to any agent of the Corporation to the fullest extent of the provisions of this Bylaw with respect to the indemnification and advancement of expenses of directors, officers and employees of the Corporation.

(G) The right to indemnification conferred in this Bylaw shall be a contract right and shall include the right to be paid by the Corporation the expenses incurred in defending any such proceeding in advance of its final disposition; *provided, however*, that if the General Corporation Law of the State of Delaware requires, the payment of such expenses incurred by a director or officer in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such person while a director or officer, including, without limitation, service to an employee benefit plan) in advance of the final disposition of a proceeding, shall be made only upon delivery to the Corporation of an undertaking by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined that such director or officer is not entitled to be indemnified under this Bylaw or otherwise.

(H) Any amendment or repeal of this Article VI shall not adversely affect any right or protection existing hereunder in respect of any act or omission occurring prior to such amendment or repeal.

Section 6.8. Election not to be subject to Arizona Control Share Acquisitions Statute. The Corporation elects not to be subject to Title 10, Chapter 23, Article 2 of the Arizona Revised Statutes, relating to "Control Share Acquisitions."

ARTICLE VII

AMENDMENTS

Section 7.1. Amendments. These Bylaws may be amended, added to, rescinded or repealed at any meeting of the Board of Directors or of the stockholders, provided notice of the proposed change was given in the notice of the meeting and, in the case of a meeting of the Board of Directors, in a notice given no less than twenty-four hours prior to the meeting; *provided, however*, that, in the case of amendments by stockholders, notwithstanding any other provisions of these Bylaws or any provision of law which might otherwise permit a lesser vote or no vote, but in addition to any affirmative vote of the holders of any particular class or series of stock required by law, the Certificate of Incorporation or these Bylaws, the affirmative vote of the holders of at least 80 percent of the voting power of the then outstanding Voting Stock, voting together as a single class, shall be required to alter, amend or repeal any provision of these Bylaws.

VIAD CORP
EXECUTIVE SEVERANCE PLAN (TIER I)
AMENDED AND RESTATED
AS OF NOVEMBER 30, 2006

1. **PURPOSE:** To provide management continuity by inducing selected Executives to remain in the employ of Viad Corp (the "Corporation") or one of its subsidiaries pending a possible Change of Control of the Corporation.

2. **OBJECTIVES:** To ensure in the event of a possible Change of Control of the Corporation, in addition to the Executive's regular duties, that he may be available to be called upon to assist in the objective assessment of such situations, to advise management and the Board of Directors (the "Board") of the Corporation as to whether such proposals would be in the best interests of the Corporation, its subsidiaries and its shareholders and to take such other actions as management or the Board might determine reasonably appropriate and in the best interests of the Corporation and its shareholders.

3. **PARTICIPATION:** Participation in this Executive Severance Plan (Tier I) (this "Plan") will be limited to selected Executives (each referred to herein as "Executive") whose importance to the Corporation during such periods is deemed to warrant good and valuable special consideration by the Chief Executive Officer of the Corporation. Each such Executive's participation shall be evidenced by a certificate ("Certificate") issued by the Corporation, each of which is incorporated herein by reference as if set forth in its entirety. In the event an Executive shall become ineligible hereunder, his Certificate shall be surrendered promptly to the Corporation.

4. **DEFINITION OF CHANGE OF CONTROL:** For purposes of this Plan, a "Change of Control" shall mean any of the following events:

(a) An acquisition by an individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either: (1) the then outstanding shares of Common Stock of the Corporation (the "Outstanding Corporation Common Stock") or (2) the combined voting power of the then Outstanding Voting Securities of the Corporation entitled to vote generally in the election of Directors (the "Outstanding Corporation Voting Securities"); excluding, however the following: (A) any acquisition directly

from the Corporation or any entity controlled by the Corporation other than an acquisition by virtue of the exercise of a conversion privilege unless the security being so converted was itself acquired directly from the Corporation or any entity controlled by the Corporation, (B) any acquisition by the Corporation, or any entity controlled by the Corporation, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Corporation or any entity controlled by the Corporation or (D) any acquisition pursuant to a transaction which complies with clauses (1), (2) and (3) of Section 4(c); or

(b) A change in the composition of the Board such that the individuals who, as of the effective date of the Plan, constitute the Board (such Board shall be hereinafter referred to as the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; *provided, however*, for purposes of this Section 4(b) that any individual, who becomes a member of the Board subsequent to the effective date of the Plan, whose election, or nomination for election by the Corporation's shareholders, was approved by a vote of at least a majority of those individuals who are members of the Board and who were also members of the Incumbent Board, (or deemed to be such pursuant to this proviso) shall be considered as though such individual were a member of the Incumbent Board; but *provided further*, that any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board shall not be so considered as a member of the Incumbent Board, or

(c) Consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Corporation (a "Corporate Transaction") excluding, however, such a Corporate Transaction pursuant to which (1) all or substantially all of the individuals and entities who are the beneficial owners, respectively, of the Outstanding Corporation Common Stock and Outstanding Corporation Voting Securities immediately prior to such Corporate Transaction (the "Prior Shareholders") beneficially own, directly or indirectly, more than 60% of, respectively, the outstanding shares of Common Stock and the combined voting power of the then Outstanding Voting Securities entitled to vote generally in the election of Directors, as the case may be, of the Corporation or other entity resulting from such Corporate Transaction (including, without limitation, a corporation or other entity which as a result of such transaction owns the Corporation or all or

substantially all of the Corporation's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Corporate Transaction, of the Outstanding Corporation Common Stock and Outstanding Corporation Voting Securities, as the case may be, (2) no Person (other than the Corporation or any entity controlled by the Corporation, any employee benefit plan (or related trust) of the Corporation or any entity controlled by the Corporation or such corporation or other entity resulting from such Corporate Transaction) will beneficially own, directly or indirectly, 20% or more of, respectively, the outstanding shares of Common Stock of the Corporation or other entity resulting from such Corporate Transaction or the combined voting power of the Outstanding Voting Securities of such Corporation or other entity entitled to vote generally in the election of Directors except to the extent that such ownership existed prior to the Corporate Transaction and (3) individuals who were members of the Incumbent Board will constitute at least a majority of the members of the Board of Directors of the Corporation resulting from such Corporate Transaction; and further excluding any disposition of all or substantially all of the assets of the Corporation pursuant to a spin-off, split-up or similar transaction (a "Spin-off") if, immediately following the Spin-off, the Prior Shareholders beneficially own, directly or indirectly, more than 80% of the outstanding shares of Common Stock and the combined voting power of the then Outstanding Voting Securities entitled to vote generally in the election of directors of both entities resulting from such transaction, in substantially the same proportions as their ownership, immediately prior to such transaction, of the Outstanding Corporation Common Stock and Outstanding Corporation Voting Securities; *provided*, that if another Corporate Transaction involving the Corporation occurs in connection with or following a Spin-off, such Corporate Transaction shall be analyzed separately for purposes of determining whether a Change of Control has occurred;

(d) The approval by the stockholders of the Corporation of a complete liquidation or dissolution of the Corporation.

5. DEFINITIONS:

(a) For purposes of this Plan, "Cause" with respect to an Executive shall mean:

(i) The willful and continued failure of the Executive to perform substantially the Executive's duties with the Corporation or one of its affiliates (other than any such failure resulting from incapacity

due to physical or mental illness), after a written demand for substantial performance improvement is delivered to the Executive by the Board or the Chief Executive Officer of the Corporation which specifically identifies the manner in which the Board or Chief Executive Officer believes that the Executive has not substantially performed the Executive's duties, or

(ii) The willful engaging by the Executive in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Corporation. For purposes of this Section 5(a), no act or failure to act, on the part of the Executive, shall be considered "willful" unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Corporation. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of the Chief Executive Officer or a senior officer of the Corporation or based upon the advice of counsel for the Corporation shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Corporation. The cessation of employment of the Executive shall not be deemed to be for Cause unless and until there shall have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board (excluding the Executive, if he is a member of the Board) at a meeting of the Board called and held for such purpose (after reasonable notice is provided to the Executive and the Executive is given an opportunity, together with counsel, to be heard before the Board), finding that, in the good-faith opinion of the Board, the Executive is guilty of the conduct described in subparagraph (i) or (ii) above, and specifying the particulars thereof in detail.

(b) For purposes of this Plan, "Good Reason" with respect to an Executive shall mean:

(i) The assignment to the Executive of any duties inconsistent in any respect with the Executive's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities immediately prior to the Change of Control, or any other action by the Corporation or any of its subsidiaries which results in a diminution in such position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Corporation or the applicable subsidiary promptly after receipt of notice thereof given by the Executive;

(ii) Any reduction of the Executive's base salary, annual bonus, incentive opportunities, retirement benefits, welfare or fringe benefits below the highest level enjoyed by the Executive during the 120-day period prior to the Change of Control;

(iii) The Corporation's or one of its subsidiaries requiring the Executive to be based at any office or location other than that at which he was based immediately prior to the Change of Control or the Corporation's or one of its subsidiaries requiring the Executive to travel to a substantially greater extent than required immediately prior to the Change of Control;

(iv) Any purported termination by the Corporation or one of its subsidiaries of the Executive's employment otherwise than as expressly permitted by this Plan; or

(v) Any failure by the Corporation to comply with and satisfy Section 11(c) of this Plan.

For purposes of this Plan, any good-faith determination of "Good Reason" made by an Executive shall be conclusive with respect to that Executive.

(c) For purposes of this Plan, "Window Period" means the 30-day period following the first anniversary of the Change of Control.

6. **ELIGIBILITY FOR BENEFITS:** Benefits as described in Section 7 shall be provided in the event the Executive's employment with the Corporation or any of its subsidiaries is terminated:

(a) Involuntarily by the Corporation or the applicable subsidiaries without Cause (a "Without Cause Termination"); or

(b) By the Executive for Good Reason (a "Good Reason Termination") or

(c) By the Executive's own election for any reason during the Window Period; provided, in the case of a Without Cause Termination or a Good Reason Termination, that such termination occurs within thirty-six months after a Change of Control; and provided, further, that in no event shall a termination as a consequence of an Executive's death, disability, or Retirement (as defined in the next sentence) entitle the Executive to benefits under this Plan. "Retirement" shall mean the Executive's voluntary retirement at or after his normal retirement date under the Corporation's or a subsidiary's retirement plan or, if the Executive does not participate in any such plan that provides for a normal retirement date, at or after age 65.

7. BENEFIT ENTITLEMENTS:

(a) **Lump Sum Payment:** On or before the Executive's last day of employment with the Corporation or any of its subsidiaries, the Corporation or the applicable subsidiary will pay to the Executive as compensation for services rendered a lump sum cash amount (subject to any applicable payroll or other taxes required to be withheld) equal to the sum of (i) Executive's highest annual salary fixed during the period Executive was an employee of the Corporation or any of its subsidiaries, plus (ii) the target bonus under the Corporation's Management Incentive Plan for the fiscal year in which the Change of Control occurs, multiplied by:

(i) Three times a fraction, the numerator of which is 36 minus the number of full months from the date of the Change of Control through the last day of the Executive's employment, and the denominator of which is 36, in the case of a Without Cause Termination or a Good Reason Termination, or

(ii) Two if the termination is voluntary during the Window Period.

(b) **Employee Plans:** The Executive's participation in life, accident, health, compensation deferral, automobile, club membership, and financial counseling plans of the Corporation, or the applicable subsidiary, if any, provided to the Executive immediately prior to the Change of Control or his termination, shall be continued, or equivalent benefits provided, by the Corporation or the applicable subsidiary at no direct cost or tax cost to the Executive in excess of the costs that would be imposed on the Executive, if he remained an employee, for a period (the "Severance Period") of:

(i) Three years times a fraction, the numerator of which is 36 minus the number of full months from the date of the Change of Control through the last day of the Executive's employment, and the denominator of which is 36, in the case of a Without Cause Termination or a Good Reason Termination, or

(ii) Two years if the termination is voluntary during the Window Period, in each case from the date of termination (or until his death or normal retirement date, whichever is sooner). The Executive's participation in any applicable qualified or nonqualified retirement and/or pension plans and any deferred compensation or bonus plan of the Corporation or any of its subsidiaries, if any, shall continue only through the last day of employment. Any terminating distributions and/or vested rights under such plans shall be governed by the terms of the respective plans. For purposes of determining the eligibility of the Executive for any post-

retirement life and health benefits, the Executive shall be treated as having attained an additional three years of age and service credit (in the case of a Without Cause Termination or a Good Reason Termination) or two years of age and service credit (if the termination is voluntary during the Window Period), in each case as of the last day of the Executive's employment.

(c) **Special Retirement Benefits:** If the Executive is, immediately prior to his termination of employment, an active participant accruing benefits under any qualified and/or nonqualified defined benefit retirement plans (collectively, the "Retirement Plans"), then the Executive or his beneficiaries shall be paid Special Retirement Benefits as and when the Executive or such beneficiaries become entitled to receive benefits under the Retirement Plans (as defined below), equal to the excess of (i) the retirement benefits that would be payable to the Executive or his beneficiaries under the Retirement Plans if the Executive's employment had continued during the Severance Period, all of his accrued benefits under the Retirement Plans (including those attributable to the Severance Period) were fully vested, and his final average compensation is equal to the Deemed Final Average Compensation, as defined below, over (ii) the total qualified and unqualified benefits actually payable to the Executive or his beneficiaries under the Retirement Plan. The "Deemed Final Average Compensation" means the Executive's final average compensation computed in accordance with the Retirement Plans, except that the amount specified in Section 7(a) shall be considered as having been paid to the Executive as "compensation" in equal monthly installments during the Severance Period. All Special Retirement Benefits shall be unfunded and payable solely from the general assets of the Corporation or its appropriate subsidiary, and are not intended to meet the qualification requirements of Section 401 of the Internal Revenue Code. The amount of the Special Retirement Benefits shall be determined using actuarial assumptions no less favorable to the Executive than those used in the qualified Retirement Plan immediately prior to the Change of Control.

(d) **Outplacement:** The Executive shall be provided with outplacement benefits in accordance with those offered to Executives immediately prior to the Change of Control.

(e) **Minimum Benefit Entitlement:** Notwithstanding anything to the contrary in this Section 7, and except as provided in Section 8(a), in no event shall an Executive's severance benefits under this

Plan be less than the benefits (if any) such Executive would have received in accordance with the severance policy of the Corporation or applicable subsidiary in effect immediately prior to the Change of Control.

8. **TAXES:** (a) Anything in this Plan to the contrary notwithstanding, and except as set forth below, in the event it shall be determined that any of an Executive's Payment(s) would be subject to the Excise Tax, then the Executive shall be entitled to receive an additional payment (the "Gross-Up Payment") in an amount such that, after payment by the Executive of all taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon such Executive's Payments. Notwithstanding the foregoing provisions of this Section 8(a), if it shall be determined that the Executive is entitled to the Gross-Up Payment, but that the Parachute Value of all Payments does not exceed 110% of the Executive's Safe Harbor Amount, then no Gross-Up Payment shall be made to the Executive and the amounts payable under this Plan shall be reduced so that the Parachute Value of all of such Executive's Payments, in the aggregate, equals the Executive's Safe Harbor Amount. The reduction of the amounts payable hereunder, if applicable, shall be made by first reducing the Executive's Payments under Section 7(a), unless an alternative method of reduction is elected by the Executive, and in any event shall be made in such a manner as to maximize the Value of all Payments actually made to the Executive. For purposes of reducing the Payments to the Safe Harbor Amount, only amounts payable under this Plan (and no other Payments) shall be reduced. If the reduction of the amounts payable under this Plan would not result in a reduction of the Parachute Value of all Payments to the Executive's Safe Harbor Amount, no amounts payable to such Executive under this Plan shall be reduced pursuant to this Section 8(a) and the Gross-Up Payment shall be made to the Executive. The Corporation's obligation to make Gross-Up Payments under this Section 8 shall not be conditioned upon the Executive's termination of employment.

(b) **Determination By Accountant.** Subject to the provisions of Section 8(c)ii, all determinations required to be made under this Section 8, including whether and when a Gross-Up Payment to any Executive is required, the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by the Corporation's auditor or another nationally recognized accounting firm appointed by the Corporation (the "Accounting Firm"). In the event that the Accounting Firm is serving as

accountant or auditor for the individual, entity or group effecting the Change of Control, the Executive may appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). The Accounting Firm shall provide detailed supporting calculations both to the Corporation and the Executive within 15 business days of the receipt of notice from the Executive that there has been a Payment or such earlier time as is requested by the Corporation. All fees and expenses of the Accounting Firm shall be borne solely by the Corporation. Any Gross-Up Payment, as determined pursuant to this Section 8, shall be paid by the Corporation to the applicable Executive within five days of the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon the Corporation and the applicable Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder it is possible that Gross-Up Payments that will not have been made by the Corporation should have been made (the "Underpayment"), consistent with the calculations required to be made hereunder. In the event the Corporation exhausts its remedies pursuant to Section 8(c) and the Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Corporation to or for the benefit of the Executive.

(c) **Notification Required.** The Executive shall notify the Corporation in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Corporation of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than 10 business days after the Executive is informed in writing of such claim. The Executive shall apprise the Corporation of the nature of such claim and the date on which such claim is requested to be paid. The Executive shall not pay such claim prior to the expiration of the 30-day period following the date on which the Executive gives such notice to the Corporation (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Corporation notifies the Executive in writing prior to the expiration of such period that it desires to contest such claim, the Executive shall:

- (i) Give the Corporation any information reasonably requested by the Corporation relating to such claim,

(ii) Take such action in connection with contesting such claim as the Corporation shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Corporation,

(iii) Cooperate with the Corporation in good faith in order to effectively contest such claim, and

(iv) Permit the Corporation to participate in any proceedings relating to such claim; provided, however, that the Corporation shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax, (including interest and penalties) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 8(c)ii, the Corporation shall control all proceedings taken in connection with such contest and, at its sole discretion, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the applicable taxing authority in respect of such claim and may, at its sole discretion, either direct the Executive to pay the tax claimed and sue for a refund, or contest the claim in any permissible manner, and the Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Corporation shall determine; *provided, however*, that if the Corporation directs the Executive to pay such claim and sue for a refund, the Corporation shall pay the amount of such payment to the Executive, and shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax, (including interest or penalties) imposed with respect to such payment or with respect to any imputed income in connection with such payment; and *provided, further* that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Corporation's control of the contest shall be limited to issues with respect to which the Gross-Up Payment would be payable hereunder and the Executive shall be entitled

to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) **Repayment.** If, after the receipt by the Executive of a Gross-Up Payment or an amount paid by the Corporation pursuant to Section 8(c), the Executive becomes entitled to receive any refund with respect to the Excise Tax to which such Gross-Up Payment relates or with respect to such claim, the Executive shall (subject to the Corporation's complying with the requirements of Section 8(c), if applicable,) promptly pay to the Corporation the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Executive of an amount paid by the Corporation pursuant to Section 8(c), a determination is made that the Executive shall not be entitled to any refund with respect to such claim and the Corporation does not notify the Executive in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then the Executive shall not be required to repay such amount to the Corporation, but the amount of such payment shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

(e) **Withholding.** Notwithstanding any other provision of this Section 8, the Corporation may, in its sole discretion, withhold and pay over to the Internal Revenue Service or any other applicable taxing authority, for the benefit of each Executive, all or any portion of any Gross-Up Payment.

(f) **Definitions:** The following terms shall have the following meanings for purposes of this Section 8.

"Excise Tax" shall mean the excise tax imposed by Section 4999 of the Code, together with any interest or penalties imposed with respect to such excise tax.

"Parachute Value" of a Payment shall mean the present value as of the date of the change of control for purposes of Section 280G of the Code of the portion of such Payment that constitutes a "parachute payment" under Section 280G(b)(2), as determined by the Accounting Firm for purposes of determining whether and to what extent the Excise Tax will apply to such Payment.

A "Payment" shall mean any payment or distribution in the nature of compensation (within the meaning of Section 280G(b)(2) of the Code) to or for the benefit of an Executive, whether paid or payable pursuant to this Plan or otherwise.

The "Safe Harbor Amount" of an Executive means 2.99 times the Executive's "base amount," within the meaning of Section 280G(b)(3) of the Code.

“Value” of a Payment shall mean the economic present value of a Payment as of the date of the change of control for purposes of Section 280G of the Code, as determined by the Accounting Firm using the discount rate required by Section 280G(d)(4) of the Code.

9. **INDEMNIFICATION:** If litigation is brought to enforce or interpret any provision contained herein, the Corporation or applicable subsidiary, to the extent permitted by applicable law and the Corporation’s or subsidiary’s Articles of Incorporation, as the case may be, shall indemnify each Executive who is a party thereto for his reasonable attorneys’ fees and disbursements incurred in such litigation, regardless of the outcome thereof, and shall pay interest on any money judgment obtained by the Executive calculated at the Citibank, N.A. prime interest rate in effect from time to time from the date that payment(s) to him should have been made under this Plan until the date the payment(s) is made. Such attorneys’ fees and disbursements shall be paid promptly as incurred by the Executive.

10. **PAYMENT OBLIGATIONS ABSOLUTE:** Except as expressly provided in Section 13 and 14, the Corporation’s or subsidiary’s obligation to pay the Executive the benefits hereunder and to make the arrangements provided herein shall be absolute and unconditional and shall not be affected by any circumstances, including, without limitation, any set-off, counter-claim, recoupment, defense or other right which the Corporation or any of its subsidiaries may have against him or anyone else. All amounts paid or payable by the Corporation or one of its subsidiaries hereunder shall be paid without notice or demand. Each and every payment made hereunder by the Corporation or subsidiary shall be final and the Corporation or subsidiary will not seek to recover all or any part of such payment(s) from the Executive or from whosoever may be entitled thereto, for any reason whatsoever. No Executive shall be obligated to seek other employment in mitigation of the amounts payable or arrangements made under any provision of this Plan, and the obtaining of any such other employment shall in no event effect any reduction of the Corporation’s or subsidiary’s obligations to make the payments and arrangements required to be made under this Plan. The Corporation or applicable subsidiary may at the discretion of the Chief Executive Officer of the Corporation enter into an irrevocable, third-party guarantee or similar agreement with a bank or other institution with respect to the benefits payable to an Executive hereunder, which would provide for the unconditional payment of such benefits by such third party upon presentment by an Executive of his Certificate (and on such other conditions deemed necessary or desirable by the Corporation or such subsidiary) at some

specified time after termination of employment. Such third-party guarantor shall have no liability for improper payment if it follows the instructions of the Corporation or such subsidiary as provided in such Certificate and other documents required to be presented under the agreement, unless the Corporation or such subsidiary, in a written notice, has previously advised such third-party guarantor of the determination by its Board of Directors of ineligibility of the Executive in accordance with Section 15.

11. **CONTINUING OBLIGATIONS:** It shall be a condition to the entitlement of an Executive to any benefits under this Plan that he agree to retain in confidence any confidential information known to him concerning the Corporation and its subsidiaries and their respective businesses as long as such information is not publicly disclosed, except as required by law.

12. **SUCCESSORS:**

(a) The benefits provided under this Plan are personal to the Executives and without the prior written consent of the Corporation shall not be assignable by any Executive otherwise than by will or the laws of descent and distribution. This Plan shall inure to the benefit of and be enforceable by the Executive's legal representatives.

(b) This Plan shall inure to the benefit of and be binding upon the Corporation and its successors and assigns.

(c) The Corporation will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Corporation to assume expressly and agree to perform this Plan in the same manner and to the same extent that the Corporation would be required to perform it if no such succession had taken place. As used in this Plan, Corporation shall mean the Corporation as hereinbefore defined and any other person or entity which assumes or agrees to perform this Plan by operation of law, or otherwise.

13. **SEVERABILITY:** Any provision in this Plan which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating or affecting the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

14. **OTHER PLANS AND AGREEMENTS:** Notwithstanding any provision herein to the contrary, in the event the Executive's employment with the Corporation or applicable subsidiary terminates and the Executive is entitled to receive termination, separation or other like amounts from the Corporation or any of its subsidiaries pursuant to any contract of employment, generally prevailing separation pay policy, or other program of the Corporation or applicable subsidiary, all such amounts shall be applied to and set off against the Corporation's or applicable subsidiary's obligation set forth in Sections 7 and 8 of this Plan. Nothing in this Section 14 is intended to result in set-off of pension benefits, supplemental executive retirement benefits, disability benefits, retiree benefits or any other plan benefits not directly provided as termination or separation benefits.

15. **AMENDMENT AND TERMINATION:** This Plan may be amended or terminated by action of the Board. This Plan shall terminate with respect to an Executive if the Chief Executive Officer of the Corporation determines that the Executive is no longer a key executive to be provided a severance agreement and so notifies the Executive by certified mail at least thirty (30) days before participation in this Plan shall cease. Notwithstanding the foregoing, no such amendment, termination or determination may be made, (and if made, shall have no effect during the period of thirty-six months following any Change of Control or (ii) during any period of time when the Corporation has knowledge that any third person has taken steps reasonably calculated to effect a Change of Control, until such third person has abandoned or terminated his efforts to effect a Change of Control as determined by the Board in good faith, but in its sole discretion.

16. **GOVERNING LAW:** This Plan shall be governed by and construed in accordance with the laws of the State of Delaware, without reference to principles of conflict of laws. The captions of this Plan are not part of the provisions hereof and shall have no force or effect.

17. By acceptance of participation in this Plan, an Executive agrees to give a minimum of four (4) weeks' notice to the Corporation in the event of his voluntary resignation.

VIAD CORP
EXECUTIVE SEVERANCE PLAN (TIER II)
AMENDED AND RESTATED
AS OF NOVEMBER 30, 2006

1. **PURPOSE** : To provide management continuity by inducing selected Executives to remain in the employ of Viad Corp (the "Corporation") or one of its subsidiaries pending a possible Change of Control of the Corporation.

2. **OBJECTIVES** : To ensure in the event of a possible Change of Control of the Corporation, in addition to the Executive's regular duties, that he may be available to be called upon to assist in the objective assessment of such situations, to advise management and the Board of Directors (the "Board") of the Corporation as to whether such proposals would be in the best interests of the Corporation its subsidiaries and its shareholders, and to take such other actions as management or the Board might determine reasonably appropriate and in the best interests of the Corporation and its shareholders.

3. **PARTICIPATION** : Participation in this Executive Severance Plan (Tier II) (this "Plan") will be limited to selected Executives (each referred to herein as "Executive") whose importance to the Corporation during such periods is deemed to warrant good and valuable special consideration by the Chief Executive Officer of the Corporation. Each such Executive's participation shall be evidenced by a certificate ("Certificate") issued by the Corporation, each of which is incorporated herein by reference as if set forth in its entirety. In the event an Executive shall become ineligible hereunder, his Certificate shall be surrendered promptly to the Corporation.

4. **DEFINITION OF CHANGE OF CONTROL** : For purposes of this Plan, a "Change of Control" shall mean any of the following events:

(a) An acquisition by an individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either: (1) the then outstanding shares of common stock of the Corporation (the "Outstanding Corporation Common Stock") or (2) the combined voting power of the then Outstanding Voting Securities of the Corporation entitled to vote generally in the election of Directors (the "Outstanding Corporation Voting Securities"); excluding, however, the following: (A) any acquisition directly

from the Corporation or any entity controlled by the Corporation other than an acquisition by virtue of the exercise of a conversion privilege unless the security being so converted was itself acquired directly from the Corporation or any entity controlled by the Corporation, (B) any acquisition by the Corporation or any entity controlled by the Corporation, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Corporation or any entity controlled by the Corporation or (D) any acquisition pursuant to a transaction which complies with clauses (1), (2) and (3) of Section 4(c); or

(b) A change in the composition of the Board such that the individuals who, as of the effective date of the Plan, constitute the Board (such Board shall be hereinafter referred to as the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; *provided, however*, for purposes of this section 4(b), that any individual who becomes a member of the Board subsequent to the effective date of the Plan, whose election or nomination for election by the Corporation’s shareholders was approved by a vote of at least a majority of those individuals who are members of the Board and who were also members of the Incumbent Board (or deemed to be such pursuant to this proviso) shall be considered as though such individual were a member of the Incumbent Board; but *provided further*, that any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board shall not be so considered as a member of the Incumbent Board, or

(c) Consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Corporation (a “Corporate Transaction”) excluding, however, such a Corporate Transaction pursuant to which (1) all or substantially all of the individuals and entities who are the beneficial owners, respectively, of the Outstanding Corporation Common Stock and Outstanding Corporation Voting Securities immediately prior to such Corporate Transaction (the “Prior Shareholders”) beneficially own, directly or indirectly, more than 60% of, respectively, the outstanding shares of Common Stock and the combined voting power of the then Outstanding Voting Securities entitled to vote generally in the election of Directors, as the case may be, of the Corporation or other entity resulting from such Corporate Transaction (including, without limitation, a corporation or other entity which as a result of such transaction owns the Corporation or all or

substantially all of the Corporation's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Corporate Transaction, of the Outstanding Corporation Common Stock and Outstanding Corporation Voting Securities, as the case may be, (2) no Person (other than the Corporation or any entity controlled by the Corporation, any employee benefit plan (or related trust) of the Corporation or any entity controlled by the Corporation or such corporation or other entity resulting from such Corporate Transaction) will beneficially own, directly or indirectly, 20% or more of, respectively, the outstanding shares of Common Stock of the Corporation or other entity resulting from such Corporate Transaction or the combined voting power of the Outstanding Voting Securities of such Corporation or other entity entitled to vote generally in the election of Directors except to the extent that such ownership existed prior to the Corporate Transaction and (3) individuals who were members of the Incumbent Board will constitute at least a majority of the members of the Board of Directors of the Corporation resulting from such Corporate Transaction; and further excluding any disposition of all or substantially all of the assets of the Corporation pursuant to a spin-off, split-up or similar transaction (a "Spin-off") if, immediately following the Spin-off, the Prior Shareholders beneficially own, directly or indirectly, more than 80% of the outstanding shares of Common Stock and the combined voting power of the then Outstanding Voting Securities entitled to vote generally in the election of directors of both entities resulting from such transaction, in substantially the same proportions as their ownership, immediately prior to such transaction, of the Outstanding Corporation Common Stock and Outstanding Corporation Voting Securities; *provided*, that if another Corporate Transaction involving the Corporation occurs in connection with or following a Spin-off, such Corporate Transaction shall be analyzed separately for purposes of determining whether a Change of Control has occurred;

(d) The approval by the shareholders of the Corporation of a complete liquidation or dissolution of the Corporation.

5. **DEFINITIONS :**

(a) For purposes of this Plan, "Cause" with respect to an Executive shall mean:

(i) The willful and continued failure of the Executive to perform substantially the Executive's duties with the Corporation or one of its affiliates (other than any such failure resulting from incapacity

due to physical or mental illness), after a written demand for substantial performance improvement is delivered to the Executive by the Board or the Chief Executive Officer of the Corporation which specifically identifies the manner in which the Board or Chief Executive Officer believes that the Executive has not substantially performed the Executive's duties, or

(ii) The willful engaging by the Executive in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Corporation. For purposes of this Section 5(a), no act or failure to act, on the part of the Executive, shall be considered "willful" unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Corporation. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of the Chief Executive Officer or a senior officer of the Corporation or based upon the advice of counsel for the Corporation shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Corporation. The cessation of employment of the Executive shall not be deemed to be for Cause unless and until there shall have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board (excluding the Executive if he is a member of the Board) at a meeting of the Board called and held for such purpose (after reasonable notice is provided to the Executive and the Executive is given an opportunity, together with counsel, to be heard before the Board), finding that, in the good-faith opinion of the Board, the Executive is guilty of the conduct described in subparagraph (i) or (ii) above, and specifying the particulars thereof in detail.

(b) For purposes of the Plan, "Good Reason" with respect to an Executive shall mean:

(i) The assignment to the Executive of any duties inconsistent in any respect with the Executive's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities immediately prior to the Change of Control, or any other action by the Corporation or any of its subsidiaries which results in a diminution in such position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Corporation or the applicable subsidiary promptly after receipt of notice thereof given by the Executive;

(ii) Any reduction of the Executive's base salary, annual bonus, incentive opportunities, retirement benefits, welfare or fringe benefits below the highest level enjoyed by the Executive during the 120-day period prior to the Change of Control;

(iii) The Corporation's or one of its subsidiaries requiring the Executive to be based at any office or location other than that at which he was based immediately prior to the Change of Control or the Corporation's or one of its subsidiaries requiring the Executive to travel to a substantially greater extent than required immediately prior to the Change of Control;

(iv) Any purported termination by the Corporation or one of its subsidiaries of the Executive's employment otherwise than as expressly permitted by this Plan; or

(v) Any failure by the Corporation to comply with and satisfy Section 11(c) of this Plan.

For purposes of this Plan, any good faith determination of "Good Reason" made by an Executive shall be conclusive with respect to that Executive.

6. **ELIGIBILITY FOR BENEFITS** : Benefits as described in Section 7 shall be provided in the event the Executive's employment with the Corporation or any of its subsidiaries is terminated:

(a) Involuntarily by the Corporation or the applicable subsidiaries without Cause (a "Without Cause Termination"); or

(b) By the Executive for Good Reason (a "Good Reason Termination") provided that such termination occurs within eighteen months after a Change of Control; and provided, further, that in no event shall a termination as a consequence of an Executive's death, disability, or Retirement (as defined in the next sentence) entitle the Executive to benefits under this Plan. "Retirement" shall mean the Executive's voluntary retirement at or after his normal retirement date under the Corporation's or a subsidiary's retirement plan or, if the Executive does not participate in any such plan that provides for a normal retirement date, at or after age 65.

7. **BENEFIT ENTITLEMENTS** :

(a) **Lump Sum Payment** : On or before the Executive's last day of employment with the Corporation or any of its subsidiaries, the Corporation or the applicable subsidiary will pay to the Executive as

compensation for services rendered a lump sum cash amount (subject to any applicable payroll or other taxes required to be withheld) equal to (i) two times the sum of (x) Executive's highest annual salary fixed during the period Executive was an employee of the Corporation or any of its subsidiaries, plus (y) the target bonus under the Corporation's Management Incentive Plan for the fiscal year in which the Change of Control occurs.

(b) **Employee Plans** : The Executive's participation in life, accident, health, compensation deferral, automobile, club membership, and financial counseling plans of the Corporation, or the applicable subsidiary, if any, provided to the Executive immediately prior to the Change of Control or his termination, shall be continued, or equivalent benefits provided, by the Corporation or the applicable subsidiary at no direct cost or tax cost to the Executive in excess of the costs that would be imposed on the Executive if he remained an employee for a period (the "Severance Period") of two years times a fraction, the numerator of which is 24 minus the number of full months from the date of the Change of Control through the last day of the Executive's employment, and the denominator of which is 24. The Executive's participation in any applicable qualified or nonqualified retirement and/or pension plans and any deferred compensation or bonus plan of the Corporation or any of its subsidiaries, if any, shall continue only through the last day of employment. Any terminating distributions and/or vested rights under such plans shall be governed by the terms of the respective plans. For purposes of determining the eligibility of the Executive for any post-retirement life and health benefits, the Executive shall be treated as having attained an additional two years of age and service credit, in each case as of the last day of the Executive's employment.

(c) **Special Retirement Benefits** : If the Executive is, immediately prior to his termination of employment, an active participant accruing benefits under any qualified and/or nonqualified defined benefit retirement plans (collectively, the "Retirement Plans"), then the Executive or his beneficiaries shall be paid Special Retirement Benefits as and when the Executive or such beneficiaries become entitled to receive benefits under the Retirement Plans (as defined below), equal to the excess of (i) the retirement benefits that would be payable to the Executive or his beneficiaries under the Retirement Plans if the Executive's employment had continued during the Severance Period, all of his accrued benefits under the Retirement Plans (including those attributable to the Severance Period) were fully vested, and his final average compensation is equal to the Deemed Final Average

Compensation, as defined below, over (ii) the total qualified and unqualified benefits actually payable to the Executive or his beneficiaries under the Retirement Plan. The “Deemed Final Average Compensation” means the Executive’s final average compensation computed in accordance with the Retirement Plans, except that the amount specified in Section 7(a) shall be considered as having been paid to the Executive as “compensation” in equal monthly installments during the Severance Period. All Special Retirement Benefits shall be unfunded and payable solely from the general assets of the Corporation or its appropriate subsidiary, and are not intended to meet the qualification requirements of Section 401 of the Internal Revenue Code. The amount of the Special Retirement Benefits shall be determined using actuarial assumptions no less favorable to the Executive than those used in the qualified Retirement Plan immediately prior to the Change of Control.

(d) **Outplacement:** The Executive shall be provided with outplacement benefits in accordance with those offered to Executives immediately prior to the Change of Control.

(e) **Minimum Benefit Entitlement:** Notwithstanding anything to the contrary in this Section 7, and except as provided in Section 8(a), in no event shall an Executive’s severance benefit under this Plan be less than the benefits (if any) such Executive would have received in accordance with the severance policy of the Corporation or applicable subsidiary in effect immediately prior to the Change of Control.

8. **TAXES:** (a) Anything in this Plan to the contrary notwithstanding, and except as set forth below, in the event it shall be determined that any of an Executive’s Payment(s) would be subject to the Excise Tax, then the Executive shall be entitled to receive an additional payment (the “Gross-Up Payment”) in an amount such that, after payment by the Executive of all taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon such Executive’s Payments. Notwithstanding the foregoing provisions of this Section 8(a), if it shall be determined that the Executive is entitled to the Gross-Up Payment, but that the Parachute Value of all Payments does not exceed 110% of the Executive’s Safe Harbor Amount, then no Gross-Up Payment shall be made to the Executive and the amounts payable under this Plan shall be reduced so that the Parachute Value of all of such Executive’s Payments, in the aggregate, equals the Executive’s Safe Harbor Amount. The reduction of the amounts payable hereunder, if applicable, shall be made by first reducing the Executive’s

Payments under Section 7(a), unless an alternative method of reduction is elected by the Executive, and in any event shall be made in such a manner as to maximize the Value of all Payments actually made to the Executive. For purposes of reducing the Payments to the Safe Harbor Amount, only amounts payable under this Plan (and no other Payments) shall be reduced. If the reduction of the amounts payable under this Plan would not result in a reduction of the Parachute Value of all Payments to the Executive's Safe Harbor Amount, no amounts payable to such Executive under this Plan shall be reduced pursuant to this Section 8(a) and the Gross-Up Payment shall be made to the Executive. The Corporation's obligation to make Gross-Up Payments under this Section 8 shall not be conditioned upon the Executive's termination of employment.

(b) **Determination By Accountant.** Subject to the provisions of Section 8(c)ii, all determinations required to be made under this Section 8, including whether and when a Gross-Up Payment to any Executive is required, the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by the Corporation's auditor or another nationally recognized accounting firm appointed by the Corporation (the "Accounting Firm"). In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change of Control, the Executive may appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). The Accounting Firm shall provide detailed supporting calculations both to the Corporation and the Executive within 15 business days of the receipt of notice from the Executive that there has been a Payment or such earlier time as is requested by the Corporation. All fees and expenses of the Accounting Firm shall be borne solely by the Corporation. Any Gross-Up Payment, as determined pursuant to this Section 8, shall be paid by the Corporation to the applicable Executive within five days of the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon the Corporation and the applicable Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder it is possible that Gross-Up Payments that will not have been made by the Corporation should have been made (the "Underpayment"), consistent with the calculations required to be made hereunder. In the event the Corporation exhausts its remedies pursuant to Section 8(c) and the Executive thereafter is required to make a payment of any

Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Corporation to or for the benefit of the Executive.

(c) **Notification Required.** The Executive shall notify the Corporation in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Corporation of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than 10 business days after the Executive is informed in writing of such claim. The Executive shall apprise the Corporation of the nature of such claim and the date on which such claim is requested to be paid. The Executive shall not pay such claim prior to the expiration of the 30-day period following the date on which the Executive gives such notice to the Corporation (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Corporation notifies the Executive in writing prior to the expiration of such period that it desires to contest such claim, the Executive shall:

(i) Give the Corporation any information reasonably requested by the Corporation relating to such claim,

(ii) Take such action in connection with contesting such claim as the Corporation shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Corporation,

(iii) Cooperate with the Corporation in good faith in order to effectively contest such claim, and

(iv) Permit the Corporation to participate in any proceedings relating to such claim; provided, however, that the Corporation shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax, (including interest and penalties) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 8(c)ii, the Corporation shall control all proceedings taken in connection with such contest and, at its sole discretion, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the applicable taxing authority in

respect of such claim and may, at its sole discretion, either direct the Executive to pay the tax claimed and sue for a refund, or contest the claim in any permissible manner, and the Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Corporation shall determine; *provided, however*, that if the Corporation directs the Executive to pay such claim and sue for a refund, the Corporation shall pay the amount of such payment to the Executive, and shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax, (including interest or penalties) imposed with respect to such payment or with respect to any imputed income in connection with such payment; and *provided, further* that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Corporation's control of the contest shall be limited to issues with respect to which a the Gross-Up Payment would be payable hereunder and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) **Repayment.** If, after the receipt by the Executive of a Gross-Up Payment or an amount paid by the Corporation pursuant to Section 8 (c), the Executive becomes entitled to receive any refund with respect to the Excise Tax to which such Gross-Up Payment relates or with respect to such claim, the Executive shall (subject to the Corporation's complying with the requirements of Section 8(c), if applicable,) promptly pay to the Corporation the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Executive of an amount paid by the Corporation pursuant to Section 8(c), a determination is made that the Executive shall not be entitled to any refund with respect to such claim and the Corporation does not notify the Executive in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then the Executive shall not be required to repay such amount to the Corporation, but the amount of such payment shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

(e) **Withholding.** Notwithstanding any other provision of this Section 8, the Corporation may, in its sole discretion, withhold and pay over to the Internal Revenue Service or any other applicable taxing authority, for the benefit of each Executive, all or any portion of any Gross-Up Payment.

(f) **Definitions:** The following terms shall have the following meanings for purposes of this Section 8.

“Excise Tax” shall mean the excise tax imposed by Section 4999 of the Code, together with any interest or penalties imposed with respect to such excise tax.

“Parachute Value” of a Payment shall mean the present value as of the date of the change of control for purposes of Section 280G of the Code of the portion of such Payment that constitutes a “parachute payment” under Section 280G(b)(2), as determined by the Accounting Firm for purposes of determining whether and to what extent the Excise Tax will apply to such Payment.

A “Payment” shall mean any payment or distribution in the nature of compensation (within the meaning of Section 280G(b)(2) of the Code) to or for the benefit of an Executive, whether paid or payable pursuant to this Plan or otherwise.

The “Safe Harbor Amount” of an Executive means 2.99 times the Executive’s “base amount,” within the meaning of Section 280G(b)(3) of the Code.

“Value” of a Payment shall mean the economic present value of a Payment as of the date of the change of control for purposes of Section 280G of the Code, as determined by the Accounting Firm using the discount rate required by Section 280G(d)(4) of the Code.

9. **INDEMNIFICATION:** If litigation is brought to enforce or interpret any provision contained herein, the Corporation or applicable subsidiary, to the extent permitted by applicable law and the Corporation’s or subsidiary’s Articles of Incorporation, as the case may be, shall indemnify each Executive who is a party thereto for his reasonable attorneys’ fees and disbursements incurred in such litigation, regardless of the outcome thereof, and shall pay interest on any money judgment obtained by the Executive calculated at the Citibank, N.A. prime interest rate in effect from time to time from the date that payment(s) to him should have been made under this Plan until the date the payment(s) is made. Such attorneys’ fees and disbursements shall be paid promptly as incurred by the Executive.

10. **PAYMENT OBLIGATIONS ABSOLUTE** : Except as expressly provided in Section 13 and 14, the Corporation’s or subsidiary’s obligation to pay the Executive the benefits hereunder and to make the arrangements provided herein shall be absolute and unconditional and shall not be affected by any circumstances, including, without limitation, any set-off, counter-claim, recoupment, defense or other right which the Corporation

or any of its subsidiaries may have against him or anyone else. All amounts paid or payable by the Corporation or one of its subsidiaries hereunder shall be paid without notice or demand. Each and every payment made hereunder by the Corporation or subsidiary shall be final and the Corporation or subsidiary will not seek to recover all or any part of such payment(s) from the Executive or from whosoever may be entitled thereto, for any reason whatsoever. No Executive shall be obligated to seek other employment in mitigation of the amounts payable or arrangements made under any provision of this Plan, and the obtaining of any such other employment shall in no event effect any reduction of the Corporation's or subsidiary's obligations to make the payments and arrangements required to be made under this Plan. The Corporation or applicable subsidiary may at the discretion of the Chief Executive Officer of the Corporation enter into an irrevocable, third-party guarantee or similar agreement with a bank or other institution with respect to the benefits payable to an Executive hereunder, which would provide for the unconditional payment of such benefits by such third party upon presentment by an Executive of his Certificate (and on such other conditions deemed necessary or desirable by the Corporation or such subsidiary) at some specified time after termination of employment. Such third-party guarantor shall have no liability for improper payment if it follows the instructions of the Corporation or such subsidiary as provided in such Certificate and other documents required to be presented under the agreement, unless the Corporation or such subsidiary, in a written notice, has previously advised such third-party guarantor of the determination by its Board of Directors of ineligibility of the Executive in accordance with Section 15.

11. **CONTINUING OBLIGATIONS** : It shall be a condition to the entitlement of an Executive to any benefits under this Plan that he agree to retain in confidence any confidential information known to him concerning the Corporation and its subsidiaries and their respective businesses as long as such information is not publicly disclosed, except as required by law.

12. **SUCCESSORS** :

(a) The benefits provided under this Plan are personal to the Executives and without the prior written consent of the Corporation shall not be assignable by any Executive otherwise than by will or the laws of

descent and distribution. This Plan shall inure to the benefit of and be enforceable by the Executive's legal representatives.

(b) This Plan shall inure to the benefit of and be binding upon the Corporation and its successors and assigns.

(c) The Corporation will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Corporation to assume expressly and agree to perform this Plan in the same manner and to the same extent that the Corporation would be required to perform it if no such succession had taken place. As used in this Plan, Corporation shall mean the Corporation as hereinbefore defined and any other person or entity which assumes or agrees to perform this Plan by operation of law, or otherwise.

13. **SEVERABILITY** : Any provision in this Plan which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating or affecting the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

14. **OTHER PLANS AND AGREEMENTS** : Notwithstanding any provision herein to the contrary, in the event the Executive's employment with the Corporation or applicable subsidiary terminates and the Executive is entitled to receive termination, separation or other like amounts from the Corporation or any of its subsidiaries pursuant to any contract of employment, generally prevailing separation pay policy, or other program of the Corporation or applicable subsidiary, all such amounts shall be applied to and set off against the Corporation's or applicable subsidiary's obligation set forth in Section 7 of this Plan. Nothing in this Section 14 is intended to result in set-off of pension benefits, supplemental executive retirement benefits, disability benefits, retiree benefits or any other plan benefits not directly provided as termination or separation benefits.

15. **AMENDMENT AND TERMINATION** : This Plan may be amended or terminated by action of the Board. This Plan shall terminate with respect to an Executive if the Chief Executive Officer of the Corporation determines that the Executive is no longer a key executive to be provided a severance agreement and so notifies the Executive by certified mail at least thirty (30) days before participation in this Plan shall cease. Notwithstanding

the foregoing, no such amendment, termination or determination may be made, (and if made, shall have no effect) (i) during the period of thirty-six months following any Change of Control or (ii) during any period of time when the Corporation has knowledge that any third person has taken steps reasonably calculated to effect a Change of Control, until such third person has abandoned or terminated his efforts to effect a Change of Control as determined by the Board in good faith, but in its sole discretion.

16. **GOVERNING LAW :** This Plan shall be governed by and construed in accordance with the laws of the State of Delaware, without reference to principles of conflict of laws. The captions of this Plan are not part of the provisions hereof and shall have no force or effect.

17. **ACCEPTANCE :** By acceptance of participation in this Plan, an Executive agrees to give a minimum of four (4) weeks' notice to the Corporation or any of its subsidiaries in the event of his voluntary resignation.