

VIAD CORP

FORM 10-Q (Quarterly Report)

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Address	1850 NORTH CENTRAL AVE SUITE 800 PHOENIX, Arizona 85004-4545
Telephone	(602) 207-4000
CIK	0000884219
Industry	Business Services
Sector	Services
Fiscal Year	12/31

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 10-Q

**QUARTERLY REPORT PURSUANT TO SECTION 13
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended March 31, 2001
Commission file number 001-11015

VIAD CORP

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

36-1169950
(I.R.S. Employer
Identification No.)

1850 N. CENTRAL AVE., PHOENIX, ARIZONA
(Address of principal executive offices)

85077
(Zip Code)

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

Indicate by check mark whether the registrant (1) has filed all Exchange Act reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days.

Yes No

As of March 31, 2001, 88,001,465 shares of Common Stock (\$1.50 par value) were outstanding.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

**VIAD CORP
CONSOLIDATED BALANCE SHEETS**

(000 omitted, except share data)	March 31, 2001 (Unaudited)	December 31, 2000
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 40,732	\$ 42,298
Short-term investments	64,840	42,538
Receivables	146,570	115,792
Inventories	85,334	83,272
Deferred income taxes	39,892	40,050
Other current assets	37,659	32,511
	415,027	356,461
Funds, agents' receivables and current maturities of investments restricted for payment service obligations	1,444,112	1,194,545
	1,859,139	1,551,006
Total current assets		
Investments in securities	50,307	41,018
Investments restricted for payment service obligations	3,698,539	3,630,615
Property and equipment	286,194	290,016
Other investments and assets	108,052	102,967
Deferred income taxes	51,093	46,596
Intangibles	632,918	638,013
	\$ 6,686,242	\$ 6,300,231
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term bank loans	\$ 19,355	\$ 2,666
Accounts payable	87,036	81,146
Other current liabilities	211,686	180,738
Current portion of long-term debt	42,134	67,134
	360,211	331,684
Payment service obligations	4,922,135	4,607,296
	5,282,346	4,938,980
Total current liabilities		
Long-term debt	384,363	377,306
Pension and other postretirement benefits	72,596	74,280
Other deferred items and insurance liabilities	197,575	135,588
Minority interests	4,000	4,263
\$4.75 Redeemable preferred stock	6,663	6,658
Common stock and other equity:		
Common stock, \$1.50 par value, 200,000,000 shares authorized, 99,739,925 shares issued	149,610	149,610
Additional capital	238,324	245,634
Retained income	771,405	755,041
Unearned employee benefits and other	(84,583)	(94,804)
Accumulated other comprehensive income:		
Unrealized gain on securities classified as available for sale	26,695	656
Unrealized loss on derivative financial instruments	(40,705)	
Cumulative translation adjustments	(12,432)	(8,612)
Minimum pension liability adjustment	(1,795)	(1,795)
Common stock in treasury, at cost, 11,738,460 and 10,676,444 shares	(307,820)	(282,574)
	738,699	763,156
Total common stock and other equity		
	\$ 6,686,242	\$ 6,300,231

See Notes to Consolidated Financial Statements.

VIAD CORP
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

(000 omitted, except per share data)	Three months ended March 31,	
	2001	2000
Revenues	\$ 459,564	\$ 408,219

Costs and expenses:		
Costs of sales and services	414,678	366,928
Corporate activities and minority interests	4,567	4,899
Net interest expense	6,265	2,133
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	425,510	373,960

Income before income taxes	34,054	34,259
Income taxes	9,752	8,206

NET INCOME	\$ 24,302	\$ 26,053
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DILUTED NET INCOME PER COMMON SHARE	\$ 0.28	\$ 0.28
Average outstanding and potentially dilutive common shares	86,672	92,205
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BASIC NET INCOME PER COMMON SHARE	\$ 0.28	\$ 0.29
Average outstanding common shares	85,560	89,847
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Dividends declared per common share	\$ 0.09	\$ 0.09
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Preferred stock dividends	\$ 284	\$ 283
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See Notes to Consolidated Financial Statements.

VIAD CORP
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

(000 omitted)	Three months ended March 31,	
	2001	2000
Net income	\$ 24,302	\$ 26,053
Other comprehensive (loss) income, net of tax:		
Unrealized gain on securities classified as available for sale:		
Transition adjustment, effective January 1, 2001, resulting from the transfer of securities classified as held-to-maturity to securities classified as available-for-sale	3,772	-
Holding gains arising during the period	25,200	15,806
Reclassification adjustment for net realized gains included in net income	(2,933)	(146)
	26,039	15,660
Unrealized loss on derivative financial instruments:		
Cumulative effect of transition adjustment upon initial application of Statement of Financial Accounting Standards No. 133 on January 1, 2001	(7,501)	
Holding losses arising during the period	(34,850)	
Net reclassifications from other comprehensive income to net income	1,646	
	(40,705)	-
Unrealized foreign currency translation adjustments:		
Holding losses arising during the period	(3,820)	(355)
Other comprehensive (loss) income	(18,486)	15,305
Comprehensive income	\$ 5,816	\$ 41,358

See Notes to Consolidated Financial Statements.

VIAD CORP
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(000 omitted)	Three months ended March 31,	
	2001	2000
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CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES:		
Net income	\$ 24,302	\$ 26,053
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	18,174	16,121
Deferred income taxes	5,128	8,592
Other noncash items, net	(3,062)	308
Change in operating assets and liabilities:		
Receivables and inventories	(34,206)	(39,990)
Accounts payable and accrued compensation	9,231	(15,641)
Other assets and liabilities, net	13,688	(2,317)
	33,255	(6,874)
Payment service assets and obligations, net	62,069	44,817
	95,324	37,943
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CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES:		
Capital expenditures	(12,445)	(7,307)
Acquisitions of businesses, net of cash acquired		(24,179)
Proceeds from dispositions of businesses, property and other assets, net	161	11,309
Proceeds from sales and maturities of securities	792,229	432,925
Purchases of securities	(841,370)	(482,143)
Net cash used by investing activities	(61,425)	(69,395)
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CASH FLOWS PROVIDED (USED) BY FINANCING ACTIVITIES:		
Payments on long-term borrowings	(25,164)	(30,161)
Net change in short-term borrowings	24,186	81,948
Dividends on common and preferred stock	(8,001)	(8,403)
Exercise of stock options	7,532	951
Common stock purchased for treasury	(34,018)	(13,654)
Net cash (used) provided by financing activities	(35,465)	30,681
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Net decrease in cash and cash equivalents	(1,566)	(771)
Cash and cash equivalents, beginning of year	42,298	33,106
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CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 40,732	\$ 32,335
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See Notes to Consolidated Financial Statements.

VIAD CORP

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

NOTE A - BASIS OF PREPARATION

The Consolidated Financial Statements of Viad Corp ("Viad") include the accounts of Viad and all of its subsidiaries. This information should be read in conjunction with the financial statements set forth in the Viad Corp Annual Report on Form 10-K for the year ended December 31, 2000.

Accounting policies utilized in the preparation of the financial information herein presented are the same as set forth in Viad's annual financial statements except as modified for interim accounting policies which are within the guidelines set forth in Accounting Principles Board ("APB") Opinion No. 28, "Interim Financial Reporting" and the adoption of Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities" as discussed in Note D. The interim consolidated financial information is unaudited. In the opinion of management, all adjustments, consisting only of normal recurring accruals, necessary to present fairly Viad's financial position as of March 31, 2001, and its results of operations and its cash flows for the quarters and three months ended March 31, 2001 and 2000 have been included. Interim results of operations are not necessarily indicative of the results of operations for the full year.

Certain prior year amounts have been reclassified to conform with the 2001 presentation.

NOTE B - ASSETS RESTRICTED FOR PAYMENT SERVICE OBLIGATIONS

Viad's Payment Services subsidiaries generate funds from the sale of money orders and other payment instruments, with the related liabilities classified as "Payment service obligations." Substantially all of the proceeds of such sales, along with certain additional subsidiary funds, are invested in permissible securities, principally debt instruments. Such investments, along with related cash and funds in transit, are restricted by state regulatory agencies for use by the subsidiaries to satisfy the liability to pay, upon presentment, the face amount of such payment service obligations. In addition, certain other assets of Payment Services subsidiaries are available if necessary to meet such obligations. Accordingly, such assets are not available to satisfy working capital or other financing requirements of Viad.

As described in notes to Viad's annual financial statements, a Payment Services subsidiary hedges a substantial portion of the variable rate commission payments to its selling agents and the net proceeds of selling receivables from its bill payment and money order agents through swap agreements (see Note D). The swap agreements effectively convert such variable rates to fixed rates.

Under normal circumstances, the swap agreements will not be terminated prior to maturity, nor is there any requirement to sell long-term debt securities prior to maturity, as the funds flow from ongoing sales of money orders and other payment instruments and funds from maturing long-term and short-term investments are expected to be adequate to settle payment service items as they are presented.

The following is a summary of asset and liability carrying amounts related to the payment service obligations, including additional subsidiary funds and the fair value of related swap agreements:

(000 omitted)	March 31, 2001	December 31, 2000
Funds, agents' receivables and current maturities of investments restricted for payment service obligations	\$ 1,444,112	\$ 1,194,545
Investments restricted for payment service obligations (1)	3,698,539	3,630,615
Other assets available for payment service obligations	20,793	24,781
Payment service obligations	(4,922,135)	(4,607,296)
Fair value of swap agreements (2)	(65,647)	(12,297)
Total	\$ 175,662	\$ 230,348

(1) Securities classified as "available-for-sale" are carried at market value, and securities classified as "held-to-maturity" are carried at amortized cost in accordance with SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities" (see Note C).

(2) The fair value represents the estimated amounts that Viad would pay to counterparties to terminate the swap agreements at March 31, 2001 and December 31, 2000. At December 31, 2000, the fair value of such swap agreements were not included in Viad's Consolidated Balance Sheet (see Note D).

NOTE C - INVESTMENTS RESTRICTED FOR PAYMENT SERVICE OBLIGATIONS

Effective January 1, 2001, Viad elected to transfer \$260,026,000 in carrying value of securities classified as held-to-maturity to securities classified as available-for-sale as permitted in conjunction with the initial application of SFAS No. 133 without calling into question management's intent or ability to hold other securities as held-to-maturity. The transfer was reflected as an increase in the carrying value of the investments of \$6,184,000, with a corresponding deferred tax liability of \$2,412,000 and a transition adjustment of \$3,772,000 reflected in other comprehensive income.

Investments restricted for payment service obligations include the following debt and equity securities:

(000 omitted)	March 31, 2001	December 31, 2000
Securities classified as available for sale, at fair value (amortized cost of \$2,315,728 and \$2,309,645) (1)	\$ 2,358,710	\$ 2,310,493
Securities classified as held to maturity, at amortized cost (fair value of \$1,376,341 and \$1,357,531)	1,341,730	1,325,225
	3,700,440	3,635,718
Less current maturities	(1,901)	(5,103)
	\$ 3,698,539	\$ 3,630,615

(1) The increase in the unrealized gain for the first three months of 2001 was due principally to decreases in longer-term market interest rates.

NOTE D - DERIVATIVE FINANCIAL INSTRUMENTS

Viad uses derivative financial instruments as part of its risk management strategy to manage exposure to fluctuations in interest and foreign currency rates. Derivatives are not used for speculative purposes.

A portion of Viad's Payment Services business involves the payment of variable-rate commissions to selling agents of its official check program. In addition, a Viad Payment Services subsidiary has agreements to sell,

on a periodic basis, undivided percentage ownership interests in certain receivables from bill payment and money order agents. The receivables are sold at a discount, based on short-term variable interest rates. Variable-to-fixed rate swap agreements have been entered into to mitigate the effects of fluctuations on commission expense and on the net proceeds from the agents' receivable sales.

On January 1, 2001, Viad adopted SFAS No. 133 and its related amendments and interpretations. SFAS No. 133 requires that entities record all derivatives as either assets or liabilities, measured at fair value, with the change in fair value of the derivative recognized in earnings or in other comprehensive income, depending on the use of the derivative and whether it qualifies for hedge accounting. Viad's swap agreements have been designated and qualify as cash flow hedges. The length of time over which future cash flows are hedged ranges from two to seven years.

Upon adoption of SFAS No. 133, Viad recorded a liability of \$12,297,000 (representing the fair value of Viad's swap agreements), a corresponding deferred tax asset of \$4,796,000, and a transition adjustment of \$7,501,000 reflected in other comprehensive income. At March 31, 2001, the fair value of the swap agreements in the Consolidated Balance Sheets was \$67,349,000 which was classified in "Other deferred items and insurance liabilities" and \$1,702,000 which was classified in "Other investments and assets."

The effective portion of the change in fair values of derivatives that qualify as cash flow hedges under SFAS No. 133 is recorded in other comprehensive income. Amounts receivable or payable under the swap agreements are reclassified from other comprehensive income to net income as an adjustment to the expense of the related transaction. These amounts are included in the Consolidated Income Statements under "Costs of sales and services." The amount recognized in earnings due to ineffectiveness of the cash flow hedges was not material. No cash flow hedges were discontinued during the quarter.

Viad is also exposed to foreign currency exchange risk. Forward contracts used to hedge assets and liabilities denominated in foreign currencies are recorded on the Consolidated Balance Sheets at fair value, with the change in fair value reflected in earnings. Viad records these forward contracts consistent with the accounting requirements under SFAS No. 52, "Foreign Currency Translation." While these contracts economically hedge Viad's foreign currency risk, they are not designated as hedges for accounting purposes under SFAS No. 133. The effect of changes in foreign exchange rates on the foreign-denominated receivables and payables, net of the effect of the related forward contracts, was not significant.

NOTE E - DEBT

At March 31, 2001 and December 31, 2000, Viad classified as long-term debt \$153,000,000 and \$145,503,000, respectively, of short-term borrowings. These borrowings are supported by unused commitments under a \$300,000,000 long-term revolving bank credit agreement.

NOTE F - INCOME TAXES

A reconciliation of the provision for income taxes and the amount that would be computed using statutory federal income tax rates on income before income taxes for the three months ended March 31, is as follows:

(000 omitted)	2001		2000	
Computed income taxes at statutory federal income tax rate	\$ 11,919	35.0%	\$ 11,991	35.0%
Nondeductible goodwill amortization	871	2.6%	703	2.1%
State income taxes	1,151	3.4%	788	2.3%
Other, net	230	0.6%	355	1.0%
	14,171	41.6%	13,837	40.4%
Tax-exempt income	(7,219)	(21.2%)	(8,131)	(23.7%)
Adjustment to estimated annual effective rate (1)	2,800	8.2%	2,500	7.3%
Provision for income taxes	\$ 9,752	28.6%	\$ 8,206	24.0%

(1) Generally accepted accounting principles for interim financial reporting (APB Opinion No. 28) requires that income taxes be provided based on the estimated effective tax rate expected to be applicable for the entire fiscal year. The estimated tax rate for 2001 is higher than in the 2000 quarter due to lower tax-exempt income in proportion to total pre-tax income resulting from the decline in investments in tax-exempt securities in the Payment Services segment.

NOTE G - SUPPLEMENTARY INFORMATION - REVENUES AND OPERATING INCOME

Viad measures profit and performance of its operations on the basis of operating income. An adjustment is made to the Payment Services segment to present revenues and operating income on a fully taxable equivalent basis to reflect income resulting from amounts invested in tax-exempt securities. Intersegment sales and transfers are not significant. Consolidated revenues, operating income and interest expense reflect the elimination (in the 2000 period) of intercompany interest payments on investments in Viad commercial paper by a Payment Services subsidiary. Disclosures regarding Viad's reportable segments along with reconciliations to consolidated totals are presented below.

(000 omitted)	Three months ended March 31,	
	2001	2000

Revenues:		
Payment Services	\$ 179,298	\$ 151,850
Convention and Event Services	289,509	261,852

Reportable segments	468,807	413,702
Travel and Recreation Services	3,659	4,500

SUBTOTAL, ONGOING OPERATIONS	472,466	418,202
Sold travel & recreation businesses		5,301
Intercompany interest elimination		(945)
Less taxable equivalent adjustment	(12,902)	(14,339)

	\$ 459,564	\$ 408,219
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Operating income:		
Payment Services	\$ 34,795	\$ 29,746
Convention and Event Services	24,743	27,464

Reportable segments	59,538	57,210
Travel and Recreation Services	(1,750)	(1,498)

SUBTOTAL, ONGOING OPERATIONS	57,788	55,712
Sold travel & recreation businesses		863
Corporate activities and minority interests	(4,567)	(4,899)
Intercompany interest elimination		(945)
Less taxable equivalent adjustment	(12,902)	(14,339)

	40,319	36,392
Other investment income	1,280	4,478
Interest expense	(7,545)	(6,611)

Income before income taxes	\$ 34,054	\$ 34,259
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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS:

Viad Corp ("Viad") focuses on two principal service businesses: Payment Services and Convention and Event Services.

There were no material changes in the nature of Viad's business, nor were there any other changes in the general characteristics of its operations as described and discussed in the "Results of Operations" section of Management's Discussion and Analysis of Results of Operations and Financial Condition presented in the Viad Corp Annual Report on Form 10-K for the year ended December 31, 2000.

All per share figures discussed are stated on the diluted basis.

COMPARISON OF FIRST QUARTER OF 2001 TO THE FIRST QUARTER OF 2000:

In the first quarter of 2001, revenues increased \$51.3 million, or 12.6 percent, to \$459.6 million from \$408.2 million in 2000. Payment Services invests in an appropriate mix of tax-exempt and taxable investments. The tax-exempt investments have lower pre-tax yields but produce higher income on an after-tax basis than comparable taxable investments. Revenues of ongoing operations on the fully taxable equivalent basis, excluding the sold travel and recreation businesses, rose 13.0 percent for the quarter.

Net income for the first quarter of 2001 was \$24.3 million, or \$0.28 per share, compared to \$26.1 million, or \$0.28 per share, for the first quarter of 2000.

Cash earnings per share, defined as income plus after-tax goodwill amortization, was \$0.32, even with the first quarter of 2000. Cash earnings per share does not represent a measure of cash flows from operations as defined by generally accepted accounting principles, and may not be comparable to similarly titled measures reported by other companies.

There were 5.5 million fewer average outstanding and potentially dilutive common shares in the first quarter of 2001 than in the first quarter of 2000, due primarily to share repurchase programs throughout 2000 and in the first quarter of 2001.

PAYMENT SERVICES. On the fully taxable equivalent basis, first quarter 2001 revenues of the Payment Services segment were \$179.3 million, up \$27.4 million, or 18.1 percent, from 2000 first quarter revenues. On the same basis, operating income increased \$5.0 million, or 17.0 percent. Operating margins on the fully taxable equivalent basis were 19.4 percent in the first quarter of 2001, compared with 19.6 percent in the 2000 first quarter. Results were driven by continuing strong growth in official check and money order operations, offset slightly by higher costs in gaming cash access services. In spite of some ongoing softness in the U.S.-to-Mexico corridor, overall MoneyGram continued to show improvement with transaction volume growing in the mid-teens, led by strong International and Express Payment transaction volume growth. Average investable funds were 28 percent higher in the 2000 first quarter, resulting in higher investment income.

CONVENTION AND EVENT SERVICES. Convention and Event Services revenues increased \$27.7 million, or 10.6 percent, to \$289.5 million in the first quarter of 2001. Operating income for the segment decreased \$2.7 million, or 9.9 percent from the first quarter of 2000. Operating margins were 8.5 percent in the first quarter of 2001 compared with 10.5 percent in the first quarter of 2000, resulting from continued higher labor and certain show production costs. The segment continues to move

aggressively forward on eliminating and controlling overhead and reducing other costs from where they were in the latter part of 2000.

TRAVEL AND RECREATION SERVICES. Revenues of the ongoing travel and recreation businesses were \$3.7 million for the first quarter of 2001, compared with \$4.5 million in the first quarter 2000, mainly due to a slow winter ski season. The seasonal operating loss was \$1.8 million compared with \$1.5 million in the 2000 quarter. The first and fourth quarters are historically the slowest periods for these businesses due to the seasonal slowdown and the winter closure of the Glacier Park facilities.

NET INTEREST EXPENSE. Other investment income was \$1.3 million and \$4.5 million in the first quarter of 2001 and 2000, respectively. The decline in interest income is due primarily to the use of investment proceeds for the repurchase of treasury shares throughout 2000 and in the first quarter of 2001. Interest expense increased to \$7.5 million in the first quarter 2001 compared to \$6.6 million in the first quarter of 2000, primarily as a result of higher average debt levels in the 2001 period.

INCOME TAXES. The effective tax rate in the 2001 first quarter was 28.6 percent compared to 24.0 percent for the first quarter of 2000. The relatively low effective tax rate compared to the statutory federal rate is primarily attributable to tax-exempt income from Viad's Payment Services businesses. APB Opinion No. 28 requires that income taxes be provided based on the estimated effective tax rate expected to be applicable for the entire fiscal year. The estimated annual tax rate for 2001 is expected to be higher than the tax rate in 2000 due to lower tax-exempt income in proportion to total pre-tax income, resulting from the decline in investments in tax-exempt securities in the Payment Services segment.

LIQUIDITY AND CAPITAL RESOURCES:

Viad's total debt at March 31, 2001 was \$445.9 million compared with \$447.1 million at December 31, 2000. The debt-to-capital ratio was 0.37 to 1 at both March 31, 2001 and December 31, 2000.

In January 2001, Viad announced its intent to repurchase 2 million to 3 million shares of its common stock in addition to its ongoing program to replace common shares issued upon exercise of stock options and in connection with other stock compensation plans. During the first quarter of 2001, Viad repurchased approximately 1.4 million treasury shares for \$34.0 million under its stock repurchase programs. Net proceeds from the exercise of stock options totaled \$7.5 million during the first three months of 2001.

EBITDA is a measure of Viad's ability to service debt, fund capital expenditures and finance growth, and should be considered in addition to, but not as a substitute for, other measures of financial performance reported in accordance with generally accepted accounting principles. EBITDA is defined by Viad as net income before interest expense, income taxes, depreciation and amortization and includes the fully taxable equivalent adjustment. EBITDA for the first three months of 2001 was \$72.7 million, up from \$71.3 million for the first quarter of 2000.

Effective January 1, 2001, Viad transferred \$260.0 million from securities classified as held-to-maturity to securities classified as available-for-sale as permitted in conjunction with the initial adoption of Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities."

There were no other material changes in Viad's financial condition nor were there any substantive changes relative to matters discussed in the "Liquidity and Capital Resources" section of Management's Discussion and Analysis of Results of Operations and Financial Condition as presented in Viad Corp's Annual Report on Form 10-K for the year ended December 31, 2000.

FORWARD-LOOKING STATEMENTS:

As provided by the safe harbor provision under the "Private Securities Litigation Reform Act of 1995," Viad cautions readers that, in addition to the historical information contained herein, this Quarterly Report on Form 10-Q includes certain forward-looking statements, assumptions and discussions, including those relating to expectations of or current trends in future growth, productivity improvements, consumer demand, new business, investment policies, ongoing cost reduction efforts and market risk disclosures. Such statements involve risks and uncertainties which may cause results to differ materially from those set forth in those statements. Among other things, gains and losses of customers, consumer demand patterns, purchasing decisions related to customer demand for convention and event services, existing and new competition, industry alliances and consolidation and growth patterns within the industries in which Viad competes may individually or in combination impact future results. In addition to the factors mentioned elsewhere, economic, competitive, governmental, technological, capital marketplace and other factors could affect the forward-looking statements contained in this filing.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Viad's primary market risk exposures are fluctuations in interest rates and foreign exchange rates. Certain derivative financial instruments are used as part of Viad's risk management strategy to manage exposure to changes in these rates. Derivatives are not used for speculative purposes.

As described in Notes B and C, debt and equity securities classified as "available-for-sale" are carried at fair value, with the net unrealized holding gain or loss included in the Consolidated Balance Sheets as a component of "Accumulated other comprehensive income." A portion of Viad's Payment Services business involves the payment of commissions to selling agents of its official check program as described in Note D. A Viad Payment Services subsidiary has also entered into agreements to sell receivables from its bill payment and money order agents. The agent commissions and net proceeds from the agents' receivables sales are computed based on short-term variable interest rates that subject Viad to risk arising from changes in such rates. Viad has hedged a substantial portion of this risk through swap agreements which convert the variable rate payments to fixed rates. Viad is also exposed to short-term interest rate risk on certain of its debt obligations.

Upon adoption of SFAS No. 133 on January 1, 2001, Viad recorded a liability of \$12.3 million (representing the fair value of Viad's swap agreements), a corresponding deferred tax asset of \$4.8 million, and a transition adjustment of \$7.5 million in other comprehensive income.

Based on a hypothetical 10 percent proportionate increase in interest rates from the average level of interest rates during the last twelve months, and taking into consideration expected investment positions, commissions payable to selling agents, growth in new business, the effects of the swap agreements and the expected borrowing level of variable-rate debt, the annual decrease in pre-tax income would be approximately \$3.8 million. A hypothetical 10 percent proportionate decrease in interest rates, based on the same set of assumptions, would result in an annual increase in pre-tax income of approximately \$3.8 million.

The fair value of securities classified as available-for-sale, the fair value of the swap agreements and the fair value of fixed-rate debt are sensitive to changes in interest rates. A 10 percent proportionate increase in interest rates would result in an estimated decrease in the fair value of securities classified as available-for-sale of approximately \$78.9 million (along with an after-tax decrease in accumulated other comprehensive income of approximately \$48.1 million), an estimated increase in the fair value of Viad's swap agreements of approximately \$53.6 million (along with an after-tax increase in accumulated other comprehensive income of \$32.7 million) and an estimated off-balance-sheet decrease in the fair value of Viad's fixed-rate debt of approximately \$2.3 million. A 10 percent

proportionate decrease in interest rates would result in an estimated increase in the fair value of securities classified as available-for-sale of approximately \$76.4 million (along with an after-tax increase in accumulated other comprehensive income of approximately \$46.6 million), an estimated decrease in the fair value of Viad's swap agreements of approximately \$53.6 million (along with an after-tax decrease in accumulated other comprehensive income of \$32.7 million) and an estimated off-balance-sheet increase in the fair value of Viad's fixed-rate debt of approximately \$2.3 million.

PART II. OTHER INFORMATION

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of security holders during the first quarter of 2001.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibit No. 10.A - Copy of 1997 Viad Corp Omnibus Incentive Plan, as amended through February 15, 2001.

Exhibit No. 10.B - Copy of form of Performance Driven Restricted Stock Agreement pursuant to the 1997 Viad Corp Omnibus Incentive Plan.

Exhibit No. 10.C - Copy of form of Restricted Stock Agreement pursuant to the 1997 Viad Corp Omnibus Incentive Plan.

Exhibit No. 10.D - Copy of Viad Corp Management Incentive Plan, as amended on March 15, 2001.

Exhibit No. 10.E - Copy of Viad Corp Performance Unit Incentive Plan, as amended on March 15, 2001.

Exhibit No. 10.F(i) - Copy of Amended and Restated Executive Severance Agreement, as of March 15, 2001, between Viad Corp and Robert H. Bohannon.

Exhibit No. 10.F(ii) - Copy of forms of Viad Corp Amended and Restated Executive Severance Plans (First and Second Tier), as of March 15, 2001.

(b) No reports on Form 8-K were filed by the registrant during the quarter for which this report is filed.

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)

April 24, 2001

By /s/ Catherine L. Stevenson

*Catherine L. Stevenson
Vice President - Controller
(Chief Accounting Officer
and Authorized Officer)*

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INDEX TO EXHIBITS

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EXHIBIT 10.A
1997 VIAD CORP OMNIBUS INCENTIVE PLAN,
AS AMENDED THROUGH FEBRUARY 15, 2001

SECTION 1. PURPOSE; DEFINITIONS.

The purpose of the Plan is to give the Company a significant advantage in attracting, retaining and motivating officers, employees and directors and to provide the Company and its subsidiaries with the ability to provide incentives more directly linked to the profitability of the Company's businesses and increases in stockholder value. It is the current intent of the Committee that the Plan shall replace the 1992 Stock Incentive Plan for purposes of new Awards and that the Viad Corp Management Incentive Plan, the Viad Corp Performance Unit Incentive Plan, and the Viad Corp Performance-Based Stock Plan continue under the auspices of Sections 7 and 8 hereof subject to the discretion of the Committee under the terms and conditions of this Plan.

For purposes of the Plan, the following terms are defined as set forth below:

- (a) "AFFILIATE" means a corporation or other entity controlled by the Company and designated by the Committee as such.
- (b) "AWARD" means an award of Stock Appreciation Rights, Stock Options, Restricted Stock or Performance-Based Awards.
- (c) "AWARD CYCLE" will mean a period of consecutive fiscal years or portions thereof designated by the Committee over which Awards of Restricted Stock or Performance-Based Awards are to be earned.
- (d) "BOARD" means the Board of Directors of the Company.
- (e) "CAUSE" means (1) the conviction of a participant for committing a felony under federal law or the law of the state in which such action occurred, (2) dishonesty in the course of fulfilling a participant's employment duties or (3) willful and deliberate failure on the part of a participant to perform his employment duties in any material respect, or such other events as will be determined by the Committee. The Committee will have the sole discretion to determine whether "Cause" exists, and its determination will be final.
- (f) "CHANGE IN CONTROL" and "CHANGE IN CONTROL PRICE" have the meanings set forth in Sections 9(b) and (c), respectively.

- (g) "CODE" means the Internal Revenue Code of 1986, as amended from time to time, and any successor thereto.
- (h) "COMMISSION" means the Securities and Exchange Commission or any successor agency.
- (i) "COMMITTEE" means the Committee referred to in Section 2.
- (j) "COMMON STOCK" means common stock, par value \$1.50 per share, of the Company.
- (k) "COMPANY" means Viad Corp, a Delaware corporation.
- (l) "COMPANY UNIT" means any subsidiary, group of subsidiaries, line of business or division of the Company, as designated by the Committee.
- (m) "DISABILITY" means permanent and total disability as determined under procedures established by the Committee for purposes of the Plan.
- (n) "EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended from time to time, and any successor thereto.
- (o) "FAIR MARKET VALUE" means, as of any given date, the mean between the highest and lowest reported sales prices of the Stock on the New York Stock Exchange Composite Tape or, if not listed on such exchange, on any other national exchange on which the Stock is listed or on the Nasdaq Stock Market. If there is no regular public trading market for such Stock, the Fair Market Value of the Stock will be determined by the Committee in good faith. In connection with the administration of specific sections of the Plan, and in connection with the grant of particular Awards, the Committee may adopt alternative definitions of "Fair Market Value" as appropriate.
- (p) "INCENTIVE STOCK OPTION" means any Stock Option intended to be and designated as an "incentive stock option" within the meaning of Section 422 of the Code.
- (q) "MIP" means the Company's Management Incentive Plan providing annual cash bonus awards to participating employees based upon predetermined goals and objectives.
- (r) "NET INCOME" means the consolidated net income of the Company determined in accordance with GAAP before extraordinary, unusual and other non-recurring items.

(s) "NON-EMPLOYEE DIRECTOR" means a member of the Board who qualifies as a "Non-Employee Director" as defined in Rule 16b-3(b)(3), as promulgated by the Commission under the Exchange Act, or any successor definition adopted by the Commission.

(t) "NON-QUALIFIED STOCK OPTION" means any Stock Option that is not an Incentive Stock Option.

(u) "PERFORMANCE GOALS" means the performance goals established by the Committee in connection with the grant of Restricted Stock or Performance-Based Awards. In the case of Qualified Performance-Based Awards, such goals (1) will be based on the attainment of specified levels of one or more of the following measures with respect to the Company or any Company Unit, as applicable: sales or revenues, costs or expenses, net profit after tax, gross profit, operating profit, base earnings, return on actual or pro forma equity or net assets or capital, net capital employed, earnings per share, earnings per share from continuing operations, operating income, operating income margin, net income, stockholder return including performance (total stockholder return) relative to the S&P 500 or similar index or performance (total stockholder return) relative to the proxy comparator group, in both cases as determined pursuant to Rule 402(1) of Regulation S-K promulgated under the Exchange Act, cash generation, unit volume and change in working capital and (2) will be set by the Committee within the time period prescribed by Section 162(m) of the Code and related regulations.

(v) "PERFORMANCE-BASED AWARD" means an Award made pursuant to Section 8.

(w) "PERFORMANCE-BASED RESTRICTED STOCK AWARD" has the meaning set forth in Section 7(c)(1) hereof.

(x) "PLAN" means the 1997 Viad Corp Omnibus Incentive Plan, As Amended, as set forth herein and as hereafter amended from time to time.

(y) "PREFERRED STOCK" means preferred stock, par value \$0.01, of the Company.

(z) "QUALIFIED PERFORMANCE-BASED AWARDS" means an Award of Restricted Stock or a Performance-Based Award designated as such by the Committee at the time of grant, based upon a determination that (1) the recipient is or may be a "covered employee" within the meaning of Section 162(m)(3) of the Code in the year in which the Company would expect to be able to claim a tax deduction with respect to such Restricted Stock or Performance-Based Award and (2) the Committee wishes

such Award to qualify for the exemption from the limitation on deductibility imposed by Section 162(m) of the Code that is set forth in Section 162(m)(4)(C).

(aa) "RESTRICTED STOCK" means an award granted under Section 7.

(bb) "RETIREMENT," except as otherwise determined by the Committee, means voluntary separation of employment, voluntary termination of employment or voluntary resignation from employment (a) at or after attaining age 55 on pension or vested to receive pension under a pension plan of the Corporation upon election, or (b) upon or after attaining age 55 and not less than five years' continuous service with the Corporation or an affiliate of the Corporation, whether or not vested for pension. Retirement shall be deemed to occur at the close of business on the last day of the employee's participation on the payroll of the Corporation whether receiving compensation for active employment, accrued vacation, salary continuation (regular way or lump sum) or like employment programs.

(cc) "RULE 16b-3" means Rule 16b-3, as promulgated by the Commission under Section 16(b) of the Exchange Act, as amended from time to time.

(dd) "STOCK" means the Common Stock or Preferred Stock.

(ee) "STOCK APPRECIATION RIGHT" means a right granted under Section 6.

(ff) "STOCK OPTION" means an option granted under Section 5.

(gg) "TERMINATION OF EMPLOYMENT" means the termination of the participant's employment with the Company and any subsidiary or Affiliate. A participant employed by a subsidiary or an Affiliate will also be deemed to incur a Termination of Employment if the subsidiary or Affiliate ceases to be such a subsidiary or Affiliate, as the case may be, and the participant does not immediately thereafter become an employee of the Company or another subsidiary or Affiliate. Transfers among the Company and its subsidiaries and Affiliates, as well as temporary absences from employment because of illness, vacation or leave of absence, will not be considered a Termination of Employment.

In addition, certain other terms used herein have definitions given to them in the first place in which they are used.

SECTION 2. ADMINISTRATION.

The Plan will be administered by the Human Resources Committee of the Board pursuant to authority delegated by the Board in accordance with the Company's By-Laws. If at any time there is no such Human Resources Committee or such Human

Resources Committee shall fail to be composed of at least two directors each of whom is a Non-Employee Director and is an "outside director" under Section 162(m)(4) of the Code, the Plan will be administered by a Committee selected by the Board and composed of not less than two individuals, each of whom is such a Non-Employee Director and such an "outside director."

The Committee will have plenary authority to grant Awards pursuant to the terms of the Plan to officers, employees and directors of the Company and its subsidiaries and Affiliates, but the Committee may not grant MIP Awards larger than the limits provided in Section 3.

Among other things, the Committee will have the authority, subject to the terms of the Plan:

- (a) to select the officers, employees and directors to whom Awards may from time to time be granted;
- (b) to determine whether and to what extent Incentive Stock Options, Non-Qualified Stock Options, Stock Appreciation Rights, Restricted Stock and Performance-Based Awards or any combination thereof are to be granted hereunder;
- (c) to determine the number of shares of Stock or the amount of cash to be covered by each Award granted hereunder;
- (d) to determine the terms and conditions of any Award granted hereunder (including, but not limited to, the option price (subject to Section 5(a)), any vesting condition, restriction or limitation (which may be related to the performance of the participant, the Company or any subsidiary, Affiliate or Company Unit) and any rule concerning vesting acceleration or waiver of forfeiture regarding any Award and any shares of Stock relating thereto, based on such factors as the Committee will determine) provided, however, that the Committee will have no power to accelerate the vesting, or waive the forfeiture, regarding any Award and any shares of Stock relating thereto, except in connection with a "change of control" of the Company, the sale of a subsidiary or majority-owned affiliate of the Company (and then only with respect to participants employed by each such subsidiary or affiliate), the death or disability of a participant or termination of employment of a participant, and, further provided, however, that the Committee will have no power to accelerate the vesting, or waive the forfeiture, of any Qualified Performance-Based Awards;
- (e) to modify, amend or adjust the terms and conditions, at any time or from time to time, of any Award, including but not limited to Performance Goals; provided, however, that the Committee may not adjust upwards the amount payable with respect to any Qualified Performance-Based Award or waive or alter the Performance Goals

associated therewith and provided, further, however, that the Committee may not reprice Stock Options except for an amount of Stock Options representing not more than 10% of then outstanding Stock Options;

(f) to determine to what extent and under what circumstances Stock and other amounts payable with respect to an Award will be deferred; and

(g) to determine under what circumstances a Stock Option may be settled in cash or Stock under Section 5(j).

The Committee will have the authority to adopt, alter or repeal such administrative rules, guidelines and practices governing the Plan as it from time to time deems advisable, to interpret the terms and provisions of the Plan and any Award issued under the Plan (and any agreement relating thereto) and to otherwise supervise the administration of the Plan.

The Committee may act only by a majority of its members then in office, except that the members thereof may (1) delegate to designated officers or employees of the Company such of its powers and authorities under the Plan as it deems appropriate (provided that no such delegation may be made that would cause Awards or other transactions under the Plan to fail to be exempt from Section 16(b) of the Exchange Act or that would cause Qualified Performance-Based Awards to cease to so qualify) and (2) authorize any one or more members or any designated officer or employee of the Company to execute and deliver documents on behalf of the Committee.

Any determination made by the Committee or pursuant to delegated authority pursuant to the provisions of the Plan with respect to any Award will be made in the sole discretion of the Committee or such delegates at the time of the grant of the Award or, unless in contravention of any express term of the Plan, at any time thereafter. All decisions made by the Committee or any appropriately delegated officer(s) or employee(s) pursuant to the provision of the Plan will be final and binding on all persons, including the Company and Plan participants.

Notwithstanding anything to the contrary in the Plan, the Committee will have the authority to modify, amend or adjust the terms and conditions of any Award as appropriate in the event of or in connection with any reorganization, recapitalization, stock split, stock dividend, combination or exchange of shares, merger, consolidation or any change in the capital structure of the Company.

SECTION 3. STOCK SUBJECT TO PLAN AND LIMITS ON AWARDS.

(a) Subject to adjustment as provided herein, the number of shares of Common Stock of the Company available for grant under the Plan in each calendar year

(including partial calendar years) during which the Plan is in effect shall be equal to two percent (2.0%) of the total number of shares of Common Stock of the Company outstanding as of the first day of each such year for which the Plan is in effect; provided that any shares available for grant in a particular calendar year (or partial calendar year) which are not, in fact, granted in such year shall be added to the shares available for grant in any subsequent calendar year.

(b) Subject to adjustment as provided herein, the number of shares of Stock covered by Awards granted to any one participant will not exceed 750,000 shares for any consecutive three-year period and the aggregate dollar amount for Awards denominated solely in cash will not exceed \$7.5 million for any such period.

(c) In addition, and subject to adjustment as provided herein, no more than 7.5 million shares of Common Stock will be cumulatively available for the grant of Incentive Stock Options over the life of the Plan.

(d) Shares subject to an option or award under the Plan may be authorized and unissued shares or may be "treasury shares." In the event of any merger, reorganization, consolidation, recapitalization, spin-off, stock dividend, stock split, extraordinary distribution with respect to the Stock or other change in corporate structure affecting the Stock, such substitution or adjustments will be made in the aggregate number and kind of shares reserved for issuance under the Plan, in the aggregate limit on grants to individuals, in the number, kind, and option price of shares subject to outstanding Stock Options and Stock Appreciation Rights, in the number and kind of shares subject to other outstanding Awards granted under the Plan and/or such other equitable substitutions or adjustments as may be determined to be appropriate by the Committee or the Board, in its sole discretion; provided, however, that the number of shares subject to any Award will always be a whole number.

(e) Awards under the MIP may not exceed in the case of (i) the Company's Chief Executive Officer, one and one-half percent (1.5%) of net income as defined; (ii) a president of any of the Company's operating companies, whether or not incorporated, six-tenths of one percent (0.6%) of net income as defined; and (iii) all other executive officers of the Company individually, one-half of one percent (0.5%) of net income as defined.

SECTION 4. ELIGIBILITY.

Officers, employees and directors of the Company, its subsidiaries and Affiliates who are responsible for or contribute to the management, growth and profitability of the business of the Company, its subsidiaries and Affiliates are eligible to be granted Awards under the Plan.

SECTION 5. STOCK OPTIONS.

Stock Options may be granted alone or in addition to other Awards granted under the Plan and may be of two types: Incentive Stock Options and Non-Qualified Stock Options. Any Stock Option granted under the Plan will be in such form as the Committee may from time to time approve.

The Committee will have the authority to grant any optionee Incentive Stock Options, Non-Qualified Stock Options or both types of Stock Options (in each case with or without Stock Appreciation Rights). Incentive Stock Options may be granted only to employees of the Company and its subsidiaries (within the meaning of Section 424(f) of the Code). To the extent that any Stock Option is not designated as an Incentive Stock Option or even if so designated does not qualify as an Incentive Stock Option, it will be deemed to be a Non-Qualified Stock Option.

Stock Options will be evidenced by option agreements, the terms and provisions of which may differ. An option agreement will indicate on its face whether it is an agreement for an Incentive Stock Option or a Non-Qualified Stock Option. The grant of a Stock Option will occur on the date the Committee by resolution selects an individual to be a participant in any grant of a Stock Option, determines the number of shares of Stock to be subject to such Stock Option to be granted to such individual and specifies the terms and provisions of the Stock Option. The Company will notify a participant of any grant of a Stock Option, and a written option agreement or agreements will be duly executed and delivered by the Company to the participant.

Anything in the Plan to the contrary notwithstanding, no term of the Plan relating to Incentive Stock Options will be interpreted, amended or altered nor will any discretion or authority granted under the Plan be exercised so as to disqualify the Plan under Section 422 of the Code or, without the consent of the optionee affected, to disqualify any Incentive Stock Option under such Section 422.

Stock Options granted under the Plan will be subject to the following terms and conditions and will contain such additional terms and conditions as the Committee will deem desirable:

(a) **OPTION PRICE.** The option price per share of Stock purchasable under a Stock Option will be determined by the Committee and set forth in the option agreement, and will not be less than the Fair Market Value of the Stock subject to the Stock Option on the date of grant.

(b) **OPTION TERM.** The term of each Stock Option will be fixed by the Committee, but no Incentive Stock Option may be exercisable more than 10 years after the date the Incentive Stock Option is granted.

(c) EXERCISABILITY. Except as otherwise provided herein, Stock Options will be exercisable at such time or times and subject to such terms and conditions as will be determined by the Committee. If the Committee provides that any Stock Option is exercisable only in installments, the Committee may, subject to the provisions of Section 2(d) hereof, at any time waive such installment exercise provisions, in whole or in part, based on such factors as the Committee may determine. In addition, the Committee may, subject to the provisions of Section 2(d) hereof, at any time accelerate the exercisability of any Stock Option.

(d) METHOD OF EXERCISE. Subject to the provisions of this Section 5, Stock Options may be exercised, in whole or in part, at any time during the option term by giving written notice of exercise to the Company specifying the number of shares of Stock subject to the Stock Option to be purchased.

Such notice must be accompanied by payment in full of the purchase price by certified or bank check or such other instrument as the Company may accept. An option agreement may provide that, if approved by the Committee, payment in full or in part or payment of tax liability, if any, relating to such exercise may also be made in the form of unrestricted Stock already owned by the optionee of the same class as the Stock subject to the Stock Option and, in the case of the exercise of a Non-Qualified Stock Option, Restricted Stock subject to an Award hereunder which is of the same class as the Stock subject to the Stock Option (in both cases based on the Fair Market Value of the Stock on the date the Stock Option is exercised); provided, however, that, in the case of an Incentive Stock Option, the right to make a payment in the form of already owned shares of Stock of the same class as the Stock subject to the Stock Option may be authorized only at the time the Stock Option is granted. In addition, an option agreement may provide that, in the discretion of the Committee, payment for any shares subject to a Stock Option or tax liability associated therewith may also be made by instruction to the Committee to withhold a number of such shares having a Fair Market Value on the date of exercise equal to the aggregate exercise price of such Stock Option.

If payment of the option exercise price of a Non-Qualified Stock Option is made in whole or in part in the form of Restricted Stock, the number of shares of Stock to be received upon such exercise equal to the number of shares of Restricted Stock used for payment of the option exercise price will be subject to the same forfeiture restrictions to which such Restricted Stock was subject, unless otherwise determined by the Committee.

No shares of Stock will be issued until full payment therefor has been made. Subject to any forfeiture restrictions that may apply if a Stock Option is exercised using Restricted Stock, an optionee will have all of the rights of a stockholder of the Company

holding the class or series of Stock that is subject to such Stock Option (including, if applicable, the right to vote the shares and the right to receive dividends), when the optionee has given written notice of exercise, has paid in full for such shares and, if requested, has given the representation described in Section 12(a).

(e) **NONTRANSFERABILITY OF STOCK OPTIONS.** (1) No Stock Option will be transferable by the optionee other than (A) by will or by the laws of descent and distribution or (B) in the case of a Non-Qualified Stock Option, pursuant to a qualified domestic relations order (as defined in the Code or Title I of the Employee Retirement Income Security Act of 1974, as amended, or the rules thereunder). All Stock Options will be exercisable, during the optionee's lifetime, only by the optionee or by the guardian or legal representative of the optionee, it being understood that the terms "holder" and "optionee" include the guardian and legal representative of the optionee named in the option agreement and any person to whom a Stock Option is transferred by will or the laws of descent and distribution or pursuant to a qualified domestic relations order.

(2) Notwithstanding Section 5(e)(1) above, the Committee may grant Stock Options that are transferable, or amend outstanding Stock Options to make them transferable, by the optionee (any such Stock Option so granted or amended a "Transferable Option") to one or more members of the optionee's immediate family, to partnerships of which the only partners are members of the optionee's immediate family, or to trusts established by the optionee for the benefit of one or more members of the optionee's immediate family. For this purpose the term "immediate family" means the optionee's spouse, children or grandchildren. Consideration may not be paid for the transfer of a Transferable Option. A transferee described in this Section 5(e)(2) shall be subject to all terms and conditions applicable to the Transferable Option prior to its transfer. The option agreement with respect to a Transferable Option shall set forth its transfer restrictions, such option agreement shall be approved by the Committee, and only Stock Options granted pursuant to a stock option agreement expressly permitting transfer pursuant to this Section 5(e)(2) shall be so transferable.

(f) **TERMINATION BY DEATH.** If an optionee's employment terminates by reason of death, any Stock Option held by such optionee may thereafter be exercised, to the extent then exercisable, or on such accelerated basis as the Committee may determine, for a period of one year (or such other period as the Committee may specify in the option agreement) from the date of such death or until the expiration of the stated term of such Stock Option, whichever period is the shorter.

(g) **TERMINATION BY REASON OF DISABILITY.** If an optionee's employment terminates by reason of Disability, any Stock Option held by such optionee may thereafter be exercised by the optionee, to the extent it was exercisable at the time of termination, or on such accelerated basis as the Committee may determine, for a period

of three years (or such shorter period as the Committee may specify in the option agreement) from the date of such termination of employment or until the expiration of the stated term of such Stock Option, whichever period is the shorter; provided, however, that if the optionee dies within such three-year period (or such shorter period), any unexercised Stock Option held by such optionee will, notwithstanding the expiration of such three-year (or such shorter) period, continue to be exercisable to the extent to which it was exercisable at the time of death for a period of 12 months from the date of such death or until the expiration of the stated term of such Stock Option, whichever period is the shorter. In the event of termination of employment by reason of Disability, if an Incentive Stock Option is exercised after the expiration of the exercise periods that apply for purposes of Section 422 of the Code, such Stock Option will thereafter be treated as a Non-Qualified Stock Option.

(h) **TERMINATION BY REASON OF RETIREMENT.** If an optionee's employment terminates by reason of Retirement, any Stock Option held by such optionee may thereafter be exercised by the optionee, to the extent it was exercisable at the time of termination, or on such accelerated basis as the Committee may determine, for a period of five years (or such shorter period as the Committee may specify in the option agreement) from the date of such termination of employment or until the expiration of the stated term of such Stock Option, whichever period is the shorter; provided, however, that if the optionee dies within such five-year period (or such shorter period), any unexercised Stock Option held by such optionee will, notwithstanding such five-year (or such shorter) period, continue to be exercisable to the extent to which it was exercisable at the time of death for a period of 12 months from the date of such death or until the expiration of the stated term of such Stock Option, whichever period is the shorter. In the event of termination of employment by reason of Retirement, if an Incentive Stock Option is exercised after the expiration of the exercise periods that apply for purposes of Section 422 of the Code, such Stock Option will thereafter be treated as a Non-Qualified Stock Option.

(i) **OTHER TERMINATION.** Unless otherwise determined by the Committee, if an optionee incurs a Termination of Employment for any reason other than death, Disability or Retirement or Cause, any Stock Option held by such optionee will thereupon terminate, except that such Stock Option, to the extent then exercisable, or subject to the provisions of Section 2(d) hereof, on such accelerated basis as the Committee may determine, may be exercised for the lesser of three months from the date of such Termination of Employment or the balance of such Stock Option's term; provided, however, that if the optionee dies within such three-month period, any unexercised Stock Option held by such optionee will, notwithstanding the expiration of such three-month period, continue to be exercisable to the extent to which it was exercisable at the time of death for a period of 12 months from the date of such death or until the expiration of the stated term of such Stock Option, whichever period is the shorter. In the event of Termination of Employment, if an Incentive Stock Option is exercised after

the expiration of the exercise periods that apply for purposes of Section 422 of the Code, such Stock Option will thereafter be treated as a Non-Qualified Stock Option.

(j) CASHING OUT OF STOCK OPTION. On receipt of written notice of exercise, the Committee may elect to cash out all or part of the shares of Stock for which a Stock Option is being exercised by paying the optionee an amount, in cash or Stock, equal to the excess of the Fair Market Value of the Stock over the option price times the number of shares of Stock for which the Option is being exercised on the effective date of such cash-out.

(k) CHANGE IN CONTROL CASH-OUT. Subject to Section 12(h), but notwithstanding any other provision of the Plan, during the 60-day period from and after a Change in Control (the "Exercise Period"), unless the Committee determines otherwise at the time of grant, an optionee will have the right, whether or not the Stock Option is fully exercisable and in lieu of the payment of the exercise price for the shares of Stock being purchased under the Stock Option and by giving notice to the Company, to elect (within the Exercise Period) to surrender all or part of the Stock Option to the Company and to receive cash, within 30 days of such notice, in an amount equal to the amount by which the Change in Control Price per share of Stock on the date of such election will exceed the exercise price per share of Stock under the Stock Option (the "Spread") multiplied by the number of shares of Stock granted under the Stock Option as to which the right granted under this Section 5(k) will have been exercised.

SECTION 6. STOCK APPRECIATION RIGHTS.

(a) GRANT AND EXERCISE. Stock Appreciation Rights may be granted in conjunction with all or part of any Stock Option granted under the Plan. In the case of a Non-Qualified Stock Option, such rights may be granted either at or after the time of grant of such Stock Option. In the case of an Incentive Stock Option, such rights may be granted only at the time of grant of such Stock Option. A Stock Appreciation Right will terminate and no longer be exercisable upon the termination or exercise of the related Stock Option.

A Stock Appreciation Right may be exercised by an optionee in accordance with Section 6(b) by surrendering the applicable portion of the related Stock Option in accordance with procedures established by the Committee. Upon such exercise and surrender, the optionee will be entitled to receive an amount determined in the manner prescribed in Section 6(b). Stock Options which have been so surrendered will no longer be exercisable to the extent the related Stock Appreciation Rights have been exercised.

(b) **TERMS AND CONDITIONS.** Stock Appreciation Rights will be subject to such terms and conditions as will be determined by the Committee, including the following:

(1) Stock Appreciation Rights will be exercisable only at such time or times and to the extent that the Stock Options to which they relate are exercisable in accordance with the provisions of Section 5 and this Section 6;

(2) Upon the exercise of a Stock Appreciation Right, an optionee will be entitled to receive an amount in cash, shares of Stock or both equal in value to the excess of the Fair Market Value of one share of Stock as of the date of exercise over the option price per share specified in the related Stock Option multiplied by the number of shares in respect of which the Stock Appreciation Right has been exercised, with the Committee having the right to determine the form of payment;

(3) Stock Appreciation Rights will be transferable only to permitted transferees of the underlying Stock Option in accordance with Section 5(e).

SECTION 7. RESTRICTED STOCK.

(a) **ADMINISTRATION.** Shares of Restricted Stock may be awarded either alone or in addition to other Awards granted under the Plan. The Committee will determine the individuals to whom and the time or times at which grants of Restricted Stock will be awarded, the number of shares to be awarded to any participant, the conditions for vesting, the time or times within which such Awards may be subject to forfeiture and any other terms and conditions of the Awards, in addition to those contained in Section 7(c).

(b) **AWARDS AND CERTIFICATES.** Shares of Restricted Stock will be evidenced in such manner as the Committee may deem appropriate, including book-entry registration or issuance of one or more stock certificates. Except as otherwise set forth in a Restricted Stock Agreement, any certificate issued in respect of shares of Restricted Stock will be registered in the name of such participant and will bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Award, substantially in the following form:

"The transferability of this certificate and the shares of stock represented hereby are subject to the terms and conditions (including forfeiture) of the 1997 Incentive Plan and a Restricted Stock Agreement. Copies of such Plan and Agreement are on file at the offices of Viad Corp, Viad Tower, Phoenix, Arizona."

The Committee may require that the certificates evidencing such shares be held in custody by the Company until the restrictions thereon have lapsed and that, as a condition of any Award of Restricted Stock, the participant has delivered a stock power, endorsed in blank, relating to the Stock covered by such Award.

(c) TERMS AND CONDITIONS. Shares of Restricted Stock will be subject to the following terms and conditions:

(1) The Committee may, prior to or at the time of grant, designate an Award of Restricted Stock as a Qualified Performance-Based Award, in which event it will condition the grant or vesting, as applicable, of such Restricted Stock upon the attainment of Performance Goals. If the Committee does not designate an Award of Restricted Stock as a Qualified Performance-Based Award, it may also condition the grant or vesting thereof upon the attainment of Performance Goals or such other performance-based criteria as the Committee shall establish (such an Award, a "Performance-Based Restricted Stock Award"). Regardless of whether an Award of Restricted Stock is a Qualified Performance-Based Award or a Performance-Based Restricted Stock Award, the Committee may also condition the grant or vesting upon the continued service of the participant. The provisions of Restricted Stock Awards (including the conditions for grant or vesting and any applicable Performance Goals) need not be the same with respect to each recipient. The Committee may at any time, in its sole discretion, subject to the provisions of

Section 7(c)(10), accelerate or waive, in whole or in part, any of the foregoing restrictions; provided, however, that in the case of Restricted Stock that is a Qualified Performance-Based Award, the applicable Performance Goals have been satisfied.

(2) Subject to the provisions of the Plan and the Restricted Stock Agreement referred to in Section 7(c)(8), during the period set by the Committee, commencing with the date of such Award for which such participant's continued service is required (the "Restriction Period") and until the later of (A) the expiration of the Restriction Period and (B) the date the applicable Performance Goals (if any) are satisfied, the participant will not be permitted to sell, assign, transfer, pledge or otherwise encumber shares of Restricted Stock.

(3) Except as provided in this paragraph (3) and Sections 7(c)(1) and (2) and the Restricted Stock Agreement, the participant will have, with respect to the shares of Restricted Stock, all of the rights of a stockholder of the Company holding the class or series of Stock that is the subject of the Restricted Stock, including, if applicable, the right to vote the shares and the right to receive any dividends. If so determined by the Committee in the applicable Restricted Stock Agreement and subject to Section 12(f) of the Plan, (A) dividends consisting of cash, stock or other property (other than Stock) on the class or series of Stock

that is the subject of the Restricted Stock shall be automatically deferred and reinvested in additional Restricted Stock (in the case of stock or other property, based on the fair market value thereof, and the Fair Market Value of the Stock, in each case as of the record date for the dividend) held subject to the vesting of the underlying Restricted Stock, or held subject to meeting any Performance Goals applicable to the underlying Restricted Stock, and (B) dividends payable in Stock shall be paid in the form of Restricted Stock of the same class as the Stock with which such dividend was paid and shall be held subject to the vesting of the underlying Restricted Stock, or held subject to meeting any Performance Goals applicable to the underlying Restricted Stock.

(4) Except to the extent otherwise provided in the applicable Restricted Stock Agreement, Section 7(c)(1), 7(c)(2), 7(c)(5) or 9(a)(2), upon a participant's Termination of Employment for any reason during the Restriction Period or before any applicable Performance Goals are met, all shares still subject to restriction will be forfeited by the participant.

(5) Except to the extent otherwise provided in Section 9(a)(2) and Sections 7(c)(9) and (10), in the event that a participant retires or such participant's employment is involuntarily terminated (other than for Cause), the Committee will have the discretion to waive in whole or in part any or all remaining restrictions (other than, in the case of Restricted Stock which is a Qualified Performance-Based Award, satisfaction of the applicable Performance Goals unless the participant's employment is terminated by reason of death or Disability) with respect to any or all of such participant's shares of Restricted Stock.

(6) Except as otherwise provided herein or as required by law, if and when any applicable Performance Goals are satisfied and the Restriction Period expires without a prior forfeiture of the Restricted Stock, unlegended certificates for such shares will be delivered to the participant upon surrender of legended certificates.

(7) Awards of Restricted Stock, the vesting of which is not conditioned upon the attainment of Performance Goals or other performance-based criteria, is limited to twenty percent (20%) of the number of shares of Common Stock of the Corporation available for grant under the Plan in each calendar year.

(8) Each Award will be confirmed by, and be subject to the terms of, a Restricted Stock Agreement.

(9) Performance-Based Restricted Stock will be subject to a minimum one-year performance period and Restricted Stock which is not performance-based will be subject to a minimum three-year vesting period.

(10) There will be no vesting acceleration, or waiver of forfeiture regarding any Award and any shares of Stock relating thereto, except in connection with a "change of control" of the Company, the sale of a subsidiary or majority-owned affiliate of the Company (and then only with respect to participants employed by each subsidiary or affiliate), the death or disability of a participant, or termination of employment of a participant.

SECTION 8. PERFORMANCE-BASED AWARDS.

(a) ADMINISTRATION. Performance-Based Awards may be awarded either alone or in addition to other Awards granted under the Plan. Subject to the terms and conditions of the Plan, the Committee shall determine the officers and employees to whom and the time or times at which Performance-Based Awards will be awarded, the number or amount of Performance-Based Awards to be awarded to any participant, whether such Performance-Based Award shall be denominated in a number of shares of Stock, an amount of cash, or some combination thereof, the duration of the Award Cycle and any other terms and conditions of the Award, in addition to those contained in Section 8(b).

(b) TERMS AND CONDITIONS. Performance-Based Awards will be subject to the following terms and conditions:

(1) The Committee may, prior to or at the time of the grant, designate Performance-Based Awards as Qualified Performance-Based Awards, in which event it will condition the settlement thereof upon the attainment of Performance Goals. If the Committee does not designate Performance-Based Awards as Qualified Performance-Based Awards, it may also condition the settlement thereof upon the attainment of Performance Goals or such other performance-based criteria as the Committee shall establish. Regardless of whether Performance-Based Awards are Qualified Performance-Based Awards, the Committee may also condition the settlement thereof upon the continued service of the participant. The provisions of such Performance-Based Awards (including without limitation any applicable Performance Goals) need not be the same with respect to each recipient. Subject to the provisions of the Plan and the Performance-Based Award Agreement referred to in Section

8(b)(5), Performance-Based Awards may not be sold, assigned, transferred, pledged or otherwise encumbered during the Award Cycle.

(2) Unless otherwise provided by the Committee (A) from time to time pursuant to the administration of particular Award programs under this Section 8, such as the Viad Corp Management Incentive Plan, the Viad Corp Performance Unit Incentive Plan or the Viad Corp Performance-Based Stock Plan or (B) in any agreement relating to an Award, and except as provided in Section 8(b)(3), upon a participant's Termination of Employment for any reason prior to the payment of an Award under this Section 8, all rights to receive cash or Stock in settlement of the Award shall be forfeited by the participant.

(3) In the event that a participant's employment is terminated (other than for Cause), or in the event a participant retires, the Committee shall have the discretion to waive, in whole or in part, any or all remaining payment limitations (other than, in the case of Awards that are Qualified Performance-Based Awards, satisfaction of the applicable Performance Goals unless the participant's employment is terminated by reason of death or Disability) with respect to any or all of such participant's Awards.

(4) At the expiration of the Award Cycle, the Committee will evaluate the Company's performance in light of any Performance Goals for such Award, and will determine the extent to which a Performance-Based Award granted to the participant has been earned, and the Committee will then cause to be delivered to the participant, as specified in the grant of such Award: (A) a number of shares of Stock equal to the number of shares determined by the Committee to have been earned or (B) cash equal to the amount determined by the Committee to have been earned or (C) a combination of shares of Stock and cash if so specified in the Award.

(5) No Performance-Based Award may be assigned, transferred, or otherwise encumbered except, in the event of the death of a participant, by will or the laws of descent and distribution.

(6) Each Award will be confirmed by, and be subject to, the terms of a Performance-Based Award Agreement.

(7) Performance-Based Awards will be subject to a minimum one-year performance period.

SECTION 9. CHANGE IN CONTROL PROVISIONS.

(a) IMPACT OF EVENT. Notwithstanding any other provision of the Plan to the contrary, in the event of a Change in Control:

(1) Any Stock Options and Stock Appreciation Rights outstanding as of the date such Change in Control is determined to have occurred and not then exercisable and vested will become fully exercisable and vested to the full extent of the original grant;

(2) The restrictions and conditions to vesting applicable to any Restricted Stock will lapse, and such Restricted Stock will become free of all restrictions and become fully vested and transferable to the full extent of the original grant;

(3) Performance-Based Awards will be considered to be earned and payable to the extent, if any, and in an amount, if any, and otherwise, in accordance with the provisions of the agreement relating to such Awards.

(b) DEFINITION OF CHANGE IN CONTROL. For purposes of the Plan, a "Change in Control" will mean the happening of any of the following events:

(1) An acquisition by any 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 twenty percent (20%) or more of either (A) the then outstanding shares of common stock of the Company (the "Outstanding Company Common Stock") or (B) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); excluding, however, the following: (i) any acquisition directly from the Company, 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 Company, (ii) any acquisition by the Company, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company or (iv) any acquisition by any corporation pursuant to a transaction which complies with clauses (A), (B) and (C) of subsection (3) of this Section 9(b); or

(2) A change in the composition of the Board such that the individuals who, as of February 20, 1997, constitute the Board (such Board will 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 9(b), that any individual who becomes a member of the Board subsequent to February 20, 1997, whose election, or nomination for election by the Company's stockholders, 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) will 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 will not be so considered as a member of the Incumbent Board; or

(3) The approval by the stockholders of the Company of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company ("Corporate Transaction") (or, if consummation of such Corporate Transaction is subject, at the time of such approval by stockholders, to the consent of any government or governmental agency, the earlier of the obtaining of such consent or the consummation of the Corporate Transaction); excluding, however, such a Corporate Transaction pursuant to which (A) all or substantially all of the individuals and entities who are the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Corporate Transaction will beneficially own, directly or indirectly, more than sixty percent (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 resulting from such Corporate Transaction (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company'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 Company Common Stock and Outstanding Company Voting Securities, as the case may be, (B) no Person (other than the Company, any employee benefit plan (or related trust) of the Company or such corporation resulting from such Corporate Transaction) will beneficially own, directly or indirectly, twenty percent (20%) or more of, respectively, the outstanding shares of common stock of the corporation resulting from such Corporate Transaction or the combined voting power of the outstanding voting securities of such corporation entitled to vote generally in the election of directors except to the extent that such ownership existed prior to the Corporate Transaction and (C) 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; or

(4) The approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

(c) CHANGE IN CONTROL PRICE. For purposes of the Plan, "Change in Control Price" means the higher of (1) the highest reported sales price, regular way, of a share of Stock in any transaction reported on the New York Stock Exchange Com-

posite Tape or other national exchange on which such shares are listed or on The Nasdaq Stock Market during the 60-day period prior to and including the date of a Change in Control or (2) if the Change in Control is the result of a tender or exchange offer or a Corporate Transaction, the highest price per share of Stock paid in such tender or exchange offer or Corporate Transaction; provided, however, that in the case of Incentive Stock Options and Stock Appreciation Rights relating to Incentive Stock Options, the Change in Control Price will be in all cases the Fair Market Value of the Stock on the date such Incentive Stock Option or Stock Appreciation Right is exercised. To the extent that the consideration paid in any such transaction described above consists all or in part of securities or other non-cash consideration, the value of such securities or other non-cash consideration will be determined in the sole discretion of the Board.

SECTION 10. TERM, AMENDMENT AND TERMINATION.

The Plan will terminate May 31, 2007, but may be terminated sooner at any time by the Board, provided that no Incentive Stock Options shall be granted under the Plan after February 19, 2007. Awards outstanding as of the date of any such termination will not be affected or impaired by the termination of the Plan.

The Board may amend, alter, or discontinue the Plan, but no amendment, alteration or discontinuation will be made which would (a) impair the rights of an optionee under a Stock Option or a recipient of a Stock Appreciation Right, Restricted Stock Award or Performance-Based Award theretofore granted without the optionee's or recipient's consent, except such an amendment which is necessary to cause any Award or transaction under the Plan to qualify, or to continue to qualify, for the exemption provided by Rule 16b-3, or (b) disqualify any Award or transaction under the Plan from the exemption provided by Rule 16b-3. In addition, no such amendment may be made without the approval of the Company's stockholders to the extent such approval is required by law or agreement.

The Committee may amend the terms of any Stock Option or other Award theretofore granted, prospectively or retroactively, but no such amendment will

- (1) impair the rights of any holder without the holder's consent except such an amendment which is necessary to cause any Award or transaction under the Plan to qualify, or to continue to qualify, for the exemption provided by Rule 16b-3 or
- (2) amend any Qualified Performance-Based Award in such a way as to cause it to cease to qualify for the exemption set forth in Section 162(m)(4)(C). The Committee may also substitute new Stock Options for previously granted Stock Options, including previously granted Stock Options having higher option prices; provided, however, that the Committee may take such action only with respect to Stock Options representing not more than 10% of then outstanding Stock Options.

Subject to the above provisions, the Board will have authority to amend the Plan to take into account changes in law and tax and accounting rules, as well as other developments and to grant Awards which qualify for beneficial treatment under such rules without stockholder approval.

SECTION 11. UNFUNDED STATUS OF PLAN.

It is presently intended that the Plan constitute an "unfunded" plan for incentive and deferred compensation. The Committee may authorize the creation of trusts or other arrangements to meet the obligations created under the Plan to deliver Stock or make payments; provided, however, that, unless the Committee otherwise determines, the existence of such trusts or other arrangements is consistent with the "unfunded" status of the Plan.

SECTION 12. GENERAL PROVISIONS.

(a) The Committee may require each person purchasing or receiving shares pursuant to an Award to represent to and agree with the Company in writing that such person is acquiring any shares without a view to the distribution thereof. The certificates for such shares may include any legend which the Committee deems appropriate to reflect any restrictions on transfer.

All certificates for shares of Stock or other securities delivered under the Plan will be subject to such stock transfer orders and other restrictions as the Committee may deem advisable under the rules, regulations and other requirements of the Commission, any stock exchange upon which the Stock is then listed and any applicable federal or state securities law, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

Notwithstanding any other provision of the Plan or agreements made pursuant thereto, the Company shall not be required to issue or deliver any certificate or certificates for shares of Stock under the Plan prior to fulfillment of all of the following conditions:

(1) Listing or approval for listing upon notice of issuance, of such shares on the New York Stock Exchange, Inc., or such other securities exchange as may at the time be the principal market for the Stock;

(2) Any registration or other qualification of such shares of the Company under any state or federal law or regulation, or the maintaining in effect of any such registration or other qualification which the Committee shall, in its absolute discretion upon the advice of counsel, deem necessary or advisable; and

(3) Obtaining any other consent, approval, or permit from any state or federal governmental agency which the Committee shall, in its absolute discretion after receiving the advice of counsel, determine to be necessary or advisable.

(b) Nothing contained in the Plan will prevent the Company or any subsidiary or Affiliate from adopting other or additional compensation arrangements for its employees.

(c) The adoption of the Plan will not confer upon any employee any right to continued employment nor will it interfere in any way with the right of the Company or any subsidiary or Affiliate to terminate the employment of any employee at any time.

(d) No later than the date as of which an amount first becomes includible in the gross income of the participant for Federal income tax purposes with respect to any Award under the Plan, the participant will pay to the Company, or make arrangements satisfactory to the Company regarding the payment of, any federal, state, local or foreign taxes of any kind required by law to be withheld with respect to such amount. Unless otherwise determined by the Company, withholding obligations may be settled with Stock, including Stock that is part of the Award that gives rise to the withholding requirement. The obligations of the Company under the Plan will be conditional on such payment or arrangements, and the Company and its Affiliates will, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to the participant. The Committee may establish such procedures as it deems appropriate, including the making of irrevocable elections, for the settlement of withholding obligations with Stock.

(e) At the time of grant, the Committee may provide in connection with any grant made under the Plan that the shares of Stock received as a result of such grant will be subject to a right of first refusal pursuant to which the participant will be required to offer to the Company any shares that the participant wishes to sell at the then Fair Market Value of the Stock, subject to such other terms and conditions as the Committee may specify at the time of grant.

(f) The reinvestment of dividends in additional Restricted Stock at the time of any dividend payment will only be permissible if sufficient shares of Stock are available under Section 3 for such reinvestment (taking into account then outstanding Stock Options and other Awards).

(g) The Committee will establish such procedures as it deems appropriate for a participant to designate a beneficiary to whom any amounts payable in the event of the participant's death are to be paid or by whom any rights of the participant, after the participant's death, may be exercised.

(h) Notwithstanding any other provision of the Plan or any agreement relating to any Award hereunder, if any right granted pursuant to this Plan would make a Change in Control transaction ineligible for pooling-of-interests-accounting under APB No. 16 that, but for the nature of such grant, would otherwise be eligible for such accounting treatment, the Committee will have the ability, in its sole discretion, to substitute for the cash payable pursuant to such grant Common Stock with a Fair Market Value equal to the cash that would otherwise be payable hereunder.

(i) The Plan and all Awards made and actions taken thereunder will be governed by and construed in accordance with the laws of the State of Delaware.

SECTION 13. EFFECTIVE DATE OF PLAN.

The Plan will be effective on the later of (a) the time it is approved by the Board and (b) the time certain provisions of the Plan are approved by stockholders for tax purposes.

SECTION 14. DIRECTOR STOCK OPTIONS.

a) Each director of the Company who is not otherwise an employee of the Company or any of its subsidiaries or Affiliates, will (1) on the date of his or her first election as a director of the Company (such initial grant being an "Initial Grant"), and (2) annually on the third Thursday of February, during such director's term (the "Annual Grant"), automatically be granted Non-Qualified Stock Options to purchase Common Stock having an exercise price per share of Common Stock equal to 100% of Fair Market Value per share of Common Stock at the date of grant of such Non-Qualified Stock Option. The number of shares subject to each such Initial Grant, and each such Annual Grant, will be 5,000 shares. A non-employee director who is first elected as a director of the Company during the course of a year (i.e., on a date other than the date of the Annual Grant) will, in addition to the Initial Grant, receive upon election a grant of Non-Qualified Stock Options prorated to reflect the number of months served in the initial year of service, with the number of shares of Common Stock subject to such Stock Option being equal to (1) the number of shares subject to the Initial Grant multiplied by (2) a fraction the numerator of which will be the number of months from the date of such election through the date of the next Annual Grant and the denominator of which will be twelve (12).

(b) An automatic director Stock Option will be granted hereunder only if as of each date of grant the director (1) is not otherwise an employee of the Company or any of its subsidiaries or Affiliates, (2) has not been an employee of the Company or any of its subsidiaries or Affiliates for any part of the preceding fiscal year, and (3) has served on the Board continuously since the commencement of his term.

(c) Except as expressly provided in this Section 14, any Stock Option granted hereunder will be subject to the terms and conditions of the Plan as if the grant were made pursuant to Section 5 hereof including, without limitation, the rights set forth in Section 5(j) hereof.

EXHIBIT 10.B

**VIAD CORP
1997 OMNIBUS INCENTIVE PLAN
PERFORMANCE DRIVEN RESTRICTED STOCK AGREEMENT**

Shares of Performance Driven Restricted Stock are hereby awarded by Viad Corp (Corporation), a Delaware corporation, effective , to [First_Name] [Last_Name](Employee) in accordance with the following restrictions, terms and conditions:

1. **SHARE AWARD.** The Corporation hereby awards the Employee [Options_Granted] shares (Shares) of Common Stock, par value \$1.50 per share (Common Stock) of the Corporation pursuant to the Viad Corp 1997 Omnibus Incentive Plan (Plan), and upon the terms and conditions, and subject to the restrictions therein and hereinafter set forth.
2. **RESTRICTIONS ON TRANSFER AND RESTRICTION PERIOD.** During the period commencing on the date hereof (Commencement Date) and terminating as set forth below (Restriction Period), the Shares may not be sold, assigned, transferred, pledged, or otherwise encumbered by the Employee, except as hereinafter provided. The Restriction Period shall lapse as to successive installments as follows:
 - a) 50% of Shares at the end of three years from the date hereof if certain predefined stretch performance targets are achieved; 70% of Shares at the end of three years from the date hereof if certain maximum (cap) performance targets are achieved; if targets are not achieved, then no (zero) Shares will vest at the end of three years from the date hereof
 - b) 100% of Shares as to which the Restriction Period has not lapsed at the end of four years from the date hereof if certain predefined performance targets are achieved; if targets are not achieved, then 25% of Shares as to which the Restriction Period has not lapsed at the end of four years from the date hereof
 - c) The balance of Shares as to which the Restriction Period has not lapsed at the end of five years from the date hereof if the predefined performance targets are not achieved

Full ownership of shares will enure to the benefit of the Employee at the expiration of the Restriction Period with respect thereto, provided, however, notwithstanding the foregoing, Employee agrees that if beneficial ownership of such Shares is not retained by Employee for a period of at least three years after such full ownership occurs, Employee may be deemed ineligible to receive any further awards under the Plan or any successor plan; provided, however, such retention requirement will be satisfied if at the direction of Employee the Corporation in its discretion retains or reacquires ownership of a sufficient number of shares to satisfy any tax withholding requirement under the Code. The Board of Directors (Board) shall have the authority, in its discretion, to accelerate the time at which any or all of the restrictions shall lapse with respect to any Shares, prior to the expiration of the Restriction Period with respect thereto, or to remove any or all of such restrictions, whenever the Board may determine that such action is appropriate by reason of change in applicable tax or other law, or any other change in circumstances.

3. **TERMINATION OF EMPLOYMENT.** Except as provided in paragraph 8 below, if the Employee ceases to be an Employee of the Corporation or any affiliate of the Corporation for any reason (other than death, total or partial disability, or normal or early retirement), all Shares which at the time of such termination of employment are subject to the restrictions imposed by paragraph 2 above shall upon such termination of

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employment be forfeited and returned to the Corporation. Except as otherwise specifically determined by the Human Resources Committee in its absolute discretion on a case by case basis, if the Employee ceases to be an employee of the Corporation or any affiliate by reason of death or total or partial disability, full ownership of the Shares will occur to the extent not previously earned, upon lapse of the applicable Restriction Periods as set forth in paragraph 2. If the Employee ceases to be an employee of the Corporation or any Affiliate of the Corporation by reason of normal or early retirement, full ownership of the Shares will occur upon lapse of the Restriction Periods as set forth in paragraph 2 and dividends will be paid through such period, in each case on a pro-rata basis, calculated based on the percentage of time such Employee was employed during the three-year period following the Commencement Date.

4. **CERTIFICATES FOR THE SHARES.** The Corporation shall issue a certificate in respect of the aggregate number of Shares in the name of the Employee, which shall equal the amount of the award specified herein. The Corporation shall hold all certificates on deposit for the account of the Employee until expiration of the first restriction period set forth in paragraph 2 above, as applicable, with respect to the Shares granted, at which time new certificates shall be issued which shall be commensurate with the installment periods set forth in paragraph 2 above. Each certificate for restricted shares shall bear the following legend:

The transferability of this certificate and the shares of stock represented hereby are subject to the terms and conditions (including forfeiture) contained in the Viad Corp 1997 Omnibus Incentive Plan and an Agreement entered into between the registered owner and Viad Corp. Copies of such Plan and Agreement are on file with the Vice President-General Counsel of Viad Corp, Viad Tower, Phoenix, Arizona 85077-1012.

The Employee further agrees that simultaneously with his or her acceptance of this Agreement, he or she shall from time to time execute a stock power covering such award endorsed in blank and that he or she shall promptly deliver such stock power to the Corporation.

5. **EMPLOYEE'S RIGHTS.** Except as otherwise provided herein, the Employee, as owner of the Shares, shall have all rights of a shareholder, including, but not limited to, the right to receive all dividends paid on the Shares and the right to vote the Shares.

6. **EXPIRATION OF RESTRICTION PERIOD.** Upon the lapse or expiration of the Restriction Period with respect to any Shares, the Corporation shall deliver or redeliver to the Employee the certificate in respect of such Shares and the related stock power held by the Corporation pursuant to paragraph 4 above. The Shares as to which the Restriction Period shall have lapsed or expired and which are represented by such certificate shall be free of the restrictions referred to in paragraph 2 above and such certificate shall not bear thereafter the legend provided for in paragraph 4 above provided, however, that sale of such shares within three years may result in deemed ineligibility to receive any further awards pursuant to said paragraph 2.

To the extent permissible under applicable tax, securities, and other laws, the Corporation may, in its sole discretion, permit Employee to satisfy a tax withholding requirement by directing the Corporation to apply Shares to which Employee is entitled as a result of termination of the Restricted Period with respect to any shares of Restricted Stock, in such manner as the Corporation shall choose in its discretion to satisfy such requirement.

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7. ADJUSTMENTS FOR CHANGES IN CAPITALIZATION OF CORPORATION. In the event of a change in the Common Stock through stock dividends, stock splits, recapitalization or other changes in the corporate structure of the Corporation during the Restriction Period, the number of shares of Common Stock subject to restrictions as set forth herein shall be appropriately adjusted and the determination of the Board of Directors of the Corporation as to any such adjustments shall be final, conclusive and binding upon the Employee. Any shares of Common Stock or other securities received, as a result of the foregoing, by the Employee with respect to Shares subject to the restrictions contained in paragraph 2 above also shall be subject to such restrictions and the certificate(s) or other instruments representing or evidencing such shares or securities shall be legended and deposited with the Corporation, along with an executed stock power, in the manner provided in paragraph 4 above.

8. EFFECT OF CHANGE IN CONTROL. In the event of a Change in Control (as defined in the Plan), the restrictions applicable to any Shares awarded hereby shall lapse, and such Shares shall be free of all restrictions and become fully vested and transferable to the full extent of the original grant.

9. PLAN AND PLAN INTERPRETATIONS AS CONTROLLING. The Shares hereby awarded and the terms and conditions herein set forth are subject in all respects to the terms and conditions of the Plan, which are controlling. The Plan provides that the Corporation's Board of Directors may from time to time make changes therein, interpret it and establish regulations for the administration thereof. The Employee, by acceptance of this Agreement, agrees to be bound by said Plan and such Board actions.

Shares may not be issued hereunder, or redelivered, whenever such issuance or redelivery would be contrary to law or the regulations of any governmental authority having jurisdiction.

IN WITNESS WHEREOF, the parties have caused this Performance Driven Restricted Stock Agreement to be duly executed.

Dated: 2001

VIAD CORP

By:

ROBERT H. BOHANNON
Chairman, President and Chief
Executive Officer

ATTEST:

General Counsel or Assistant Secretary

ACCEPTED:

Employee

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EXHIBIT 10.C

**VIAD CORP
1997 OMNIBUS INCENTIVE PLAN
RESTRICTED STOCK AGREEMENT**

Shares of Restricted Stock are hereby awarded by Viad Corp (Corporation), a Delaware corporation, effective , to (Employee) in accordance with the following terms and conditions:

1. **SHARE AWARD.** The Corporation hereby awards the Employee shares (Shares) of Common Stock, par value \$1.50 per share (Common Stock) of the Corporation pursuant to the Viad Corp 1997 Omnibus Incentive Plan (Plan), and upon the terms and conditions, and subject to the restrictions therein and hereinafter set forth.

2. **RESTRICTIONS ON TRANSFER AND RESTRICTION PERIOD.** During the period (Restriction Period) commencing on the effective date hereof (Commencement Date) and terminating 5 years therefrom, the Shares may not be sold, assigned, transferred, pledged, or otherwise encumbered by the Employee, except as hereinafter provided. The Restriction Period shall lapse as to successive installments as follows:

a) 33 1/3% of Shares at the end of three years from the date hereof

b) 33 1/3% of Shares at the end of four years from the date hereof

c) The balance of Shares as to which the Restriction Period has not lapsed at the end of five years from the date hereof

Full ownership of Shares will vest at the expiration of the Restriction Period with respect thereto, however, notwithstanding the foregoing, Employee agrees that if beneficial ownership of such vested Shares is not retained by Employee for a period of at least three years after such full ownership vests, Employee may be deemed ineligible to receive any further awards under the Plan or any successor plan; such retention requirement will be satisfied if at the direction of Employee the Corporation in its discretion retains or reacquires ownership of a sufficient number of vested Shares to satisfy any tax withholding requirement under the Code. The Board of Directors (Board) shall have the authority, in its discretion, to accelerate the time at which any or all of the restrictions shall lapse with respect to any Shares, prior to the expiration of the Restriction Period with respect thereto, or to remove any or all of such restrictions, whenever the Board may determine that such action is appropriate by reason of change in applicable tax or other law, or other change in circumstances.

3. **TERMINATION OF EMPLOYMENT.** Except as provided in paragraph 8 below, if the Employee ceases to be an Employee of the Corporation or any affiliate of the Corporation for any reason (other than death, total or partial disability, or normal or early retirement), all Shares which at the time of such termination of employment are subject to the restrictions imposed by paragraph 2 above shall upon such termination of employment be forfeited and returned to the Corporation. Except as otherwise specifically determined by the Human Resources Committee in its absolute discretion on a case by case basis, if the Employee ceases to be an employee of the Corporation or any affiliate by reason of death or total or partial disability, full ownership of the Shares will occur to the extent not previously earned, upon lapse of the applicable Restriction Periods as set forth in paragraph 2. If the Employee ceases to be an employee of the Corporation or any Affiliate of the Corporation by reason of normal or early retirement, full ownership of the Shares will occur upon lapse of the Restriction Periods as set forth in paragraph 2 and dividends will be paid through such period, in each case on a

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pro-rata basis, calculated based on the percentage of time such Employee was employed during the three-year period following the Commencement Date.

4. **CERTIFICATES FOR THE SHARES.** The Corporation shall issue three certificates in respect of the Shares in the name of the Employee, the aggregate number of Shares of which shall equal the amount of the award specified herein, and the specific number of Shares of which shall be commensurate with the installment periods set forth in paragraph 2 above, and shall hold each such certificate on deposit for the account of the Employee until the expiration of the restrictions set forth in paragraph 2 above with respect to the Shares represented thereby. Each such certificate shall bear the following legend:

The transferability of this certificate and the shares of stock represented hereby are subject to the terms and conditions (including forfeiture) contained in the Viad Corp 1997 Omnibus Incentive Plan and an Agreement entered into between the registered owner and Viad Corp. Copies of such Plan and Agreement are on file with the Vice President-General Counsel of Viad Corp, Viad Tower, Phoenix, Arizona 85077-1012.

The Employee further agrees that simultaneously with his or her acceptance of this Agreement, he or she shall execute three stock powers covering such award endorsed in blank and that he or she shall promptly deliver such stock powers to the Corporation.

5. **EMPLOYEE'S RIGHTS.** Except as otherwise provided herein, the Employee, as owner of the Shares, shall have all rights of a shareholder, including, but not limited to, the right to receive all dividends paid on the Shares and the right to vote the Shares.

6. **EXPIRATION OF RESTRICTION PERIOD.** Upon the lapse or expiration of the Restriction Period with respect to any Shares, the Corporation shall redeliver to the Employee the certificate in respect of such Shares (reduced appropriately in number in the event of early or normal retirement) and the related stock power held by the Corporation pursuant to paragraph 4 above. The Shares as to which the Restriction Period shall have lapsed or expired and which are represented by such certificate shall be free of the restrictions referred to in paragraph 2 above and such certificate shall not bear thereafter the legend provided for in paragraph 4 above.

To the extent permissible under applicable tax, securities, and other laws, the Corporation may, in its sole discretion, permit Employee to satisfy a tax withholding requirement by directing the Corporation to apply Shares to which Employee is entitled as a result of termination of the Restricted Period with respect to any Shares of Restricted Stock, in such manner as the Corporation shall choose in its discretion to satisfy such requirement.

7. **ADJUSTMENTS FOR CHANGES IN CAPITALIZATION OF CORPORATION.** In the event of a change in the Common Stock through stock dividends, stock splits, recapitalization or other changes in the corporate structure of the Corporation during the Restriction Period, the number of Shares of Common Stock subject to restrictions as set forth herein shall be appropriately adjusted and the determination of the Board of Directors of the Corporation as to any such adjustments shall be final, conclusive and binding upon the Employee. Any Shares of Common Stock or other securities received, as a result of the foregoing, by the Employee with respect to Shares subject to the restrictions contained in paragraph 2 above also shall be subject to such restrictions and the certificate(s) or other instruments representing or evidencing such Shares or securities shall

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be legended and deposited with the Corporation, along with an executed stock power, in the manner provided in paragraph 4 above.

8. **EFFECT OF CHANGE IN CONTROL.** In the event of a Change in Control (as defined in the Plan), the restrictions applicable to any Shares awarded hereby shall lapse, and such Shares shall be free of all restrictions and become fully vested and transferable to the full extent of the original grant.

9. **PLAN AND PLAN INTERPRETATIONS AS CONTROLLING.** The Shares hereby awarded and the terms and conditions herein set forth are subject in all respects to the terms and conditions of the Plan, which are controlling. The Plan provides that the Corporation's Board of Directors may from time to time make changes therein, interpret it and establish regulations for the administration thereof. The Employee, by acceptance of this Agreement, agrees to be bound by said Plan and such Board actions.

Shares may not be issued hereunder, or redelivered, whenever such issuance or redelivery would be contrary to law or the regulations of any governmental authority having jurisdiction.

IN WITNESS WHEREOF, the parties have caused this Restricted Stock Agreement to be duly executed.

Dated:

2001

VIAD CORP

By:

ROBERT H. BOHANNON
Chairman, President and Chief
Executive Officer

ATTEST:

Vice President - General Counsel
or Assistant Secretary

ACCEPTED:

Employee

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**VIAD CORP
EXHIBIT 10.D
MANAGEMENT INCENTIVE PLAN**

PURSUANT TO THE 1997 VIAD CORP OMNIBUS INCENTIVE PLAN

AS AMENDED MARCH 15, 2001

I. PURPOSE:

The purpose of the Viad Corp Management Incentive Plan (Plan) is to provide key executives of Viad Corp (Viad) and its subsidiaries with an incentive to achieve goals as set forth under this Plan for each calendar year (Plan Year) for their respective companies and to provide effective management and leadership to that end.

II. PHILOSOPHY:

The Plan will provide key executives incentive bonuses based upon appropriately weighted pre-defined income and other performance measurements.

III. SUBSIDIARIES, SUBSIDIARY GROUPS AND DIVISIONS:

A. Each subsidiary, subsidiary group, line of business or division listed below is a "Company" for the purposes of this Plan:

Name of Company

Brewster Transport Company Limited/Brewster Tours group Exhibitgroup/Giltspur group
GES Exposition Services, Inc. group Glacier Park, Inc.
Travelers Express Company, Inc. group

Viad may, by action of its Board of Directors or its Human Resources Committee, add or remove business units on the list of participant companies from time to time.

B. FUNDING LIMIT:

A "funding limit" shall be established annually for each Company participant who has been designated an Executive Officer as defined under Section 16(b) of the Securities Exchange Act. The funding limit shall be an amount determined by multiplying the actual net income of the Company for the Plan Year by the percent of such income

approved by the Human Resources Committee of the Viad Corp Board of Directors (Committee) for such funding limit. The subsidiary executive cannot be paid a larger bonus than the funding limit provided by this clause, but may be paid less in the discretion of the Committee based on the Performance Goals set forth below and other such factors which the Committee may consider.

C. PERFORMANCE GOALS:

1. OPERATING OR PRE-TAX INCOME (as calculated for external reporting purposes):

An appropriate "operating income" or "pre-tax income" target for the plan year for each Company will be recommended by the Chief Executive Officer of Viad to the Committee for approval taking into account overall corporate objectives, historical income and Plan Year financial plan income (on the same basis as determined below) and, if appropriate, other circumstances.

Operating or pre-tax income to be used in calculating the bonus pool of each Company shall mean operating income before minority interest, interest expense and taxes, after deduction of corporate overhead, or pre-tax income after minority interest, in each case adjusted to appropriately exclude the effects of gains and losses from the sale or other disposition of capital assets other than vehicles. In addition, an adjustment to actual operating or pre-tax income will be made for any increase or decrease in cost to a subsidiary in connection with a change in the actual formula allocation of corporate overhead over amounts included in the Plan for the year.

Special treatment of any other significant unusual or non-recurring items (for purposes of determining actual or target operating or pre-tax income) arising after a Company's targets are set may be recommended by the Chief Executive Officer of Viad to the Committee for approval, including, for example, appropriate adjustment of operating or pre-tax income target or actuals to reflect planned effects of an acquisition approved after target has been set. Other examples include unusual items or effects of a change in accounting principle.

Incentives to be paid under this Plan must be deducted from the subsidiary corporation's earnings by the end of the year. Goals must be achieved after deducting from actual results all incentive compensation applicable to the year, including those incentives earned under this Plan.

2. VALUE ADDED MEASUREMENT:

An appropriate "Value Added" target for the plan year for each Company will be recommended by the Chief Executive Officer of Viad Corp to the Committee for approval. This measurement is intended to place increased emphasis on securing an adequate return to Viad on all capital employed in the business. Viad Value Added (VVA) compares net operating income to the return required on capital invested in the business.

In calculating the bonus pool of each Company, VVA shall mean Net Operating Profit After Taxes (NOPAT is defined as sales minus operating expenses minus taxes) minus a Capital Charge calculated by multiplying a Cost of Capital times the actual Capital (Capital is defined as total assets less current and other liabilities exclusive of debt). Certain adjustments are necessary to determine NOPAT and Capital.

3. OTHER PERFORMANCE MEASUREMENTS:

An appropriate number of performance measurements other than operating or pre-tax income and VVA will be established for each Company, to place increased emphasis on areas of importance to achieving overall corporate objectives, with the Chief Executive Officer of Viad to recommend to the Committee the measures to be used and, at the end of the year, the level of achievement against each.

4. REVENUE:

The bonus pool earned will be subject to a further calculation whereby the total bonus pool otherwise accruable will be adjusted by 95% (threshold) up to 105% (maximum), depending on the achievement against the revenue target.

5. ESTABLISHING TARGETS:

The targets for revenue, operating or pre-tax income, VVA and for the categories of discretionary performance measurements to be employed will be established by the Committee no later than 90 days after the beginning of the Plan Year after receiving the recommendations of the Chief Executive Officer of Viad Corp.

D. PARTICIPANT ELIGIBILITY:

The Committee will select the Executive Officers as defined under Section 16(b) of the Securities Exchange Act eligible for participation no later than 90 days after the beginning of the Plan Year. Other personnel will be eligible for participation as designated by each Company President or Chief Executive Officer and recommended to the Chief Executive Officer of Viad Corp for approval, limited only to those executives who occupy a position in which they can significantly affect operating results as pre-defined by appropriate and consistent criteria, i.e., base salary not less than \$49,000 per year, or base salary not less than 50% of the Company's Chief Executive Officer, or position not more than the third organizational level below the Company Chief Executive Officer or another applicable criteria.

NOTE: Individuals not qualifying under the criteria established for the Plan Year who were included in the previous year will be grandfathered (continue as qualified participants until retirement, reassignment, or termination of employment) if designated by the Company President or Chief Executive Officer, and approved by the Chief Executive Officer of Viad Corp.

E. TARGET BONUSES:

Target bonuses will be approved by the Committee for each Executive Officer in writing within the following parameters no later than 90 days after the beginning of the Plan Year and will be expressed as a percentage of salary paid during the year. Target bonuses for other eligible personnel will be established in writing within the following parameters subject to approval by the Chief Executive Officer of Viad Corp.

Actual bonus awards will be dependent on Company performance versus the targets established. A threshold performance will be required before any bonus award is earned under the net income goal. Awards will also be capped when stretch performance levels are achieved.

As a Percentage of Salary

Subsidiary Positions*	Threshold**	Target	Cap
Chief Executive Officer/President	25.0%	50%	89.25%
	22.5%	45%	80.325%
	20.0%	40%	71.4%
Executive Vice President-Senior Vice President, and Other Operating Executives	20.0%	40%	71.4%
Vice Presidents	17.5%	35%	62.475%
	15.0%	30%	53.55%
Key Management Reporting to Officers	12.5%	25%	44.625%
	10.0%	20%	35.7%
Staff Professionals	7.5%	15%	26.775%
	5.0%	10%	17.85%

* Target Bonus, as determined by the Committee, is dependent upon organization reporting relationships.

** Reflects minimum achievement of all performance targets. Threshold could be lower if minimum achievement of only one performance target is met.

F. BONUS POOL TARGET:

1. The "Bonus Pool Target" will be initially established no later than 90 days after the beginning of the Plan Year and will be adjusted to equal the sum of the target bonuses of all designated participants in each Company based upon actual Plan Year salaries, as outlined in paragraph D above, plus 15% for Special Achievement Awards.
2. The bonus pool will accrue in accordance with the Bonus Pool Accrual Formula recommended by the Chief Executive Officer of Viad Corp and approved by the Committee.
3. Bonus pool accruals not paid out shall not be carried forward to any succeeding year.

G. INDIVIDUAL BONUS AWARDS:

1. Indicated bonus awards will be equal to the product of the target bonus percentage times the weighted average percentage of bonus pool accrued as determined in paragraph F above times the individual's actual base salary earnings during the Plan Year, subject to adjustments as follows:

- a) discretionary upwards or downward adjustment of formula bonus awards by the Committee after considering the recommendation of the

Company President or Chief Executive Officer with the approval of the Chief Executive Officer of Viad Corp for those executives not affected by Section 162(m) of the Internal Revenue Code, and

b) discretionary downward adjustment of awards by the Committee for those Executive Officers affected by Section 162(m) of the Internal Revenue Code, and

c) no individual award may exceed the individual's capped target award or the funding limit with respect to Executive Officers, and the aggregate recommended bonuses may not exceed the bonus pool accrued for other than Special Achievement Awards.

2. Bonuses awarded to the participating management staff of subsidiary groups may be paid from funds accrued based upon the target bonus for such participant(s) times the weighted average performance of the Companies in the subsidiary group, subject to adjustments as above.

IV. VIAD CORP CORPORATE STAFF:

A. FUNDING LIMIT:

A "funding limit" shall be established annually for each Corporate participant who has been designated an Executive Officer as defined under Section 16(b) of the Securities Exchange Act. The funding limit will be an amount determined by multiplying the actual net income from continuing operations of Viad (as used in the income per share calculation described herein) for the Plan Year by the percent of such income approved by the Committee for such funding limit. The executive cannot be paid a larger bonus than the funding limit provided by this clause, but may be paid less in the discretion of the Committee based on the Performance Goals set forth below and such other factors which the Committee may consider.

B. PERFORMANCE GOALS:

1. INCOME PER SHARE:

An appropriate "income per share" from continuing operations target for Viad Corp will be recommended by the Chief Executive Officer of Viad Corp to the Committee for approval after considering historical income per share from continuing operations, Plan Year financial plan income, overall corporate objectives, and, if appropriate, other circumstances.

Income per share from continuing operations is determined before unusual or extraordinary items, effects of changes in accounting principles or a change in federal income tax rates after the target has been set.

Reclassification of a major business unit to discontinued operations status after targets have been set would also require adjustment because of the effect on continuing operations results. While gains on disposition of a business would normally not be included in determining actual Plan Year net income or income per share, in the event of the sale of a subsidiary or major business unit, a portion of gain would be included equal to the difference between the sold unit's planned net income for the year and actual results to date of sale plus calculated interest savings on proceeds for the balance of the year, so that actual results are not penalized for selling a business.

Incentives to be paid under this Plan must be deducted from Viad's earnings by the end of the year. Goals must be achieved after deducting from actual results all incentive compensation applicable to the year, including those incentives earned under this Plan.

2. VALUE ADDED MEASUREMENT:

An appropriate "Value Added" target for the plan year for Corporate will be recommended by the Chief Executive Officer of Viad for approval by the Human Resources Committee. This measurement is intended to place increased emphasis on securing an adequate return to Viad on all capital employed in the business. Viad Value Added (VVA) compares operating income to the return required on capital invested in the business.

In calculating the bonus pool for Corporate, VVA shall mean Net Operating Profit After Taxes (NOPAT is defined as sales minus operating expenses minus taxes) minus a Capital Charge calculated by multiplying a Cost of Capital times the actual Capital (Capital is defined as total assets less current and other liabilities exclusive of debt). Certain adjustments are necessary to determine NOPAT and Capital.

3. OTHER PERFORMANCE MEASUREMENTS:

An appropriate number of performance measurements other than income per share will be established for Corporate, with the Chief Executive Officer of Viad to recommend to the Committee the level of achievement against each of the measures.

4. REVENUE:

The bonus pool earned will be subject to a further calculation whereby the total bonus pool otherwise accruable will be adjusted by 95% (threshold) up to 105% (maximum) depending on the achievement against the revenue target.

5. ESTABLISHING TARGETS:

The actual targets for revenue, income per share, VVA and for the performance measurements to be used will be established by the Committee no later than 90 days after the beginning of the Plan Year after receiving the recommendations of the Chief Executive Officer of Viad Corp.

C. PARTICIPANT ELIGIBILITY:

The Committee will select the Executive Officers as defined under Section 16(b) of the Securities Exchange Act eligible for participation no later than 90 days after the beginning of the Plan Year. Other personnel will be eligible for participation as recommended by the appropriate staff Vice President and as approved by the Chief Executive Officer of Viad Corp, limited only to those executives who occupy a position in which they can significantly affect operating results as defined by the following criteria:

- a) Salary grade 25 and above; and
- b) Not more than Organizational Level Four below the Chief Executive Officer.

NOTE: Individuals not qualifying under the criteria established for the Plan Year who were included in the previous year will be grandfathered (continue as qualified participants until retirement, reassignment, or termination of employment) if designated by the appropriate Vice President and approved by the Chief Executive Officer of Viad Corp.

D. TARGET BONUSES:

Target bonuses will be approved by the Committee for each Executive Officer in writing within the following parameters no later than 90 days after the beginning of the Plan Year and will be expressed as a percentage of salary. Target bonuses for other eligible personnel will be established in writing within the following parameters subject to approval by the Chief Executive Officer of Viad Corp.

Actual bonus awards will be dependent on Company performance versus the targets established. A threshold performance will be required before any bonus award is earned under the income per share goal. Awards also will be capped when stretch performance levels are achieved.

Corporate Positions	Threshold**	As a Percentage of Salary Target	Cap
Chairman, President & Chief Executive Officer	37.5%	75%	137.8%
Senior Advisory Group	25.0%	50%	89.25%
	22.5%	45%	80.325%
Corporate Staff Officers	20.0%	40%	71.4%
Staff Directors*	17.5%	35%	62.475%
	15.0%	30%	53.55%
	12.5%	25%	44.625%
	10.0%	20%	35.7%
Staff Professionals*	7.5%	15%	26.775%
	5.0%	10%	17.85%

* Target Bonus, as determined by the Committee, is dependent upon organization reporting relationships.

** Reflects minimum of achievement of all performance targets. Threshold could be lower if minimum achievement of only one performance target is met.

E. BONUS POOL TARGET:

1. The "Bonus Pool Target" will be established no later than 90 days after the beginning of the Plan Year and will be adjusted to equal the sum of the target bonuses of all qualified participants based upon actual Plan Year base salaries, as outlined in paragraph C above, plus 15% for Special Achievement Awards.
2. The bonus pool will accrue in accordance with the Bonus Pool Accrual Formula recommended by the Chief Executive Officer of Viad Corp and approved by the Committee.
3. Bonus pool accruals not paid out shall not be carried forward to any succeeding year.

F. INDIVIDUAL BONUS AWARDS:

Indicated bonus awards will be equal to the product of the target bonus percentage times the weighted average percentage of bonus pool accrued as determined in paragraph D above times the individual's actual Plan Year base salary earnings, subject to adjustments as follows:

- a) discretionary upward or downward adjustment of formula awards by the Committee after considering the recommendations of the Chief Executive Officer of Viad Corp for those executives not affected by Section 162(m) of the Internal Revenue Code,

b) discretionary downward adjustment of awards by the Committee for those Executive Officers affected by Section 162(m) of the Internal Revenue Code, and

c) no individual award may exceed the individual's capped target award or the funding limit with respect to Executive Officers and the aggregate recommended bonuses may not exceed the bonus pool for other than Special Achievement Awards.

V. SPECIAL ACHIEVEMENT AWARDS:

Special bonuses of up to 15% of base salary for exceptional performance to employees (primarily exempt employees) who are not participants in this Plan, including newly hired employees, may be recommended at the discretion of the Chief Executive Officer to the Committee from the separate funds for discretionary awards provided for under paragraphs III F and IV E.

VI. APPROVAL AND DISTRIBUTION:

The individual incentive bonus amounts and the terms of payment thereof will be fixed following the close of the Plan Year by the Committee. Any award made under this Plan is subject to the approval of this Plan by the stockholders of Viad Corp.

VII. COMPENSATION ADVISORY COMMITTEE:

The Compensation Advisory Committee is appointed by the Chief Executive Officer of Viad Corp to assist the Committee in the implementation and administration of this Plan. The Compensation Advisory Committee shall propose administrative guidelines to the Committee to govern interpretations of this Plan and to resolve ambiguities, if any, but the Compensation Advisory Committee will not have the power to terminate, alter, amend, or modify this Plan or any actions hereunder in any way at any time.

VIII. SPECIAL COMPENSATION STATUS:

All bonuses paid under this Plan shall be deemed to be special compensation and, therefore, unless otherwise provided for in another plan or agreement, will not be included in determining the earnings of the recipients for the purposes of any pension, group insurance or other plan or agreement of a Company or of Viad Corp. Participants in this Plan shall not be eligible for any contractual or other short-term (sales, productivity, etc.) incentive plan except in those cases where participation is weighted between this Plan and any such other short-term incentive plan.

IX. DEFERRALS:

Participants subject to taxation of income by the United States may submit to the Committee, prior to November 15 of the year in which the bonus is being earned a written request that all or a portion, but not less than a specified minimum, of their bonus awards to be determined, if any, be irrevocably deferred substantially in accordance with the terms and conditions of a deferred compensation plan approved by the Board of Directors of Viad Corp or, if applicable, one of its subsidiaries. Participants subject to taxation of income by other jurisdictions may submit to the Committee a written request that all or a portion of their bonus awards be deferred in accordance with the terms and conditions of a plan which is adopted by the Board of Directors of a participant's Company. Upon the receipt of any such request, the Committee thereunder shall determine whether such request should be honored in whole or part and shall forthwith advise each participant of its determination on such request.

X. PLAN TERMINATION:

This Plan shall continue in effect until such time as it may be canceled or otherwise terminated by action of the Board of Directors of Viad Corp and will not become effective with respect to any Company unless and until its Board of Directors adopts a specific plan for such Company. While it is contemplated that incentive awards from the Plan will be made, the Board of Directors of Viad Corp, or any other Company hereunder, may terminate, amend, alter, or modify this Plan at any time and from time to time. Participation in the Plan shall create no right to participate in any future year's Plan.

XI. EMPLOYEE RIGHTS:

No participant in this Plan shall be deemed to have a right to any part or share of this Plan, except as provided in Paragraph XII. This Plan does not create for any employee or participant any right to be retained in service by any Company, nor affect the right of any such Company to discharge any employee or participant from employment. Except as provided for in administrative guidelines, a participant who is not an employee of Viad Corp or one of its subsidiaries on the date bonuses are paid will not receive a bonus payment.

XII. EFFECT OF CHANGE OF CONTROL:

Notwithstanding anything to the contrary in this Plan, in the event of a Change of Control (as defined in the 1997 Viad Corp Omnibus Incentive Plan) each participant in the Plan shall be entitled to a prorata bonus award calculated on the basis of achievement of performance goals through the date of the Change of Control.

XIII. EFFECTIVE DATE:

The Plan shall be effective January 1, 1997, provided however, that any award made under this Plan is subject to the approval of the 1997 Viad Corp Omnibus Incentive Plan by the stockholders of Viad Corp.

**VIAD CORP
EXHIBIT 10.E
PERFORMANCE UNIT INCENTIVE PLAN**

PURSUANT TO THE 1997 VIAD CORP OMNIBUS INCENTIVE PLAN

AS AMENDED MARCH 15, 2001

1. PURPOSE

The purpose of the Plan is to promote the long-term interests of the Corporation and its stockholders by providing a means for attracting and retaining designated key executives of the Corporation and its Affiliates through a system of cash rewards for the accomplishment of long-term predefined objectives.

2. DEFINITIONS

The following definitions are applicable to the Plan:

"Affiliate" - Any "Parent Corporation" or "Subsidiary Corporation" of the Corporation as such terms are defined in Section 425(e) and (f), or the successor provisions, if any, respectively, of the Code (as defined herein).

"Award" - The grant by the Committee of a Performance Unit or Units as provided in the Plan.

"Board" - The Board of Directors of Viad Corp.

"Code" - The Internal Revenue Code of 1986, as amended, or its successor general income tax law of the United States.

"Committee" - The Human Resources Committee of the Board.

"Corporation" - Viad Corp.

"Operating Income" - Income before minority interest, interest expense and taxes, but after deduction of corporate overhead.

"Participant" - Any executive of the Corporation or any of its Affiliates who is selected by the Committee to receive an Award.

"Performance Period" - The period of time selected by the Committee for the purpose of determining performance goals and measuring the degree

of accomplishment. Generally, the Performance Period will be a period of three successive fiscal years of the Corporation.

"Performance Unit Award" - An Award.

"Plan" - The Performance Unit Incentive Plan of the Corporation.

"Pre-Tax Income" - Pre-tax income after minority interest.

"Unit" - The basis for any Award under the Plan.

3. ADMINISTRATION

The Plan shall be administered by the Committee. Except as limited by the express provisions of the Plan, the Committee shall have sole and complete authority and discretion to (i) select Participants and grant Awards; (ii) determine the number of Units to be subject to Awards generally, as well as to individual Awards granted under the Plan; (iii) determine the targets that must be achieved in order for the Awards to be payable and the other terms and conditions upon which Awards shall be granted under the Plan; (iv) prescribe the form and terms of instruments evidencing such grants; and (v) establish from time to time regulations for the administration of the Plan, interpret the Plan, and make all determinations deemed necessary or advisable for the administration of the Plan.

4. PERFORMANCE GOALS

The Performance Unit Incentive Plan is intended to provide Participants with a substantial incentive to achieve or surpass three pre-defined long-range financial goals which have been selected because they are key factors (goals) in increasing stockholder value.

The first goal for each Subsidiary Participant emphasizes growth in Average Three-Year Operating or Pre-tax Income.

The first goal for Corporate Participants also emphasizes Growth in Average Three-Year Operating Income but the target will be based on income per share from continuing operations, the most appropriate measure in increasing stockholder value.

The second goal for Corporate and Subsidiary Participants is a Viad Value Added (VVA) measure.

The third goal for Corporate and Subsidiary Participants emphasizes growth in Average Three-Year Revenues.

5. DETERMINATION OF TARGETS

A. AVERAGE THREE-YEAR GROWTH IN SUBSIDIARY EARNINGS

An appropriate average three-year operating or pre-tax income target for the Performance Period for each Subsidiary Company will be established taking into account historical operating or pre-tax income, financial plan operating or pre-tax income for the Performance Period, overall Corporate objectives, and if appropriate, other circumstances. An appropriate range of values above and below such target will then be selected to measure achievement above or below the target.

B. AVERAGE GROWTH IN THREE-YEAR VIAD CORP INCOME PER SHARE

An appropriate average three-year "Income Per Share" from continuing operations target for Viad Corp will be established after considering historical income per share from continuing operations, financial plan income per share from continuing operations for the Performance Period, overall Corporate objectives and, if appropriate, other circumstances. An appropriate range of values above and below such target will then be selected to measure achievement above or below the target.

C. VALUE ADDED MEASUREMENT:

The VVA measurement is intended to place increased emphasis on securing an adequate return to Viad Corp on all capital employed in the business. VVA compares net operating income to the return required on capital invested in the business.

In calculating the bonus pool of each Company, VVA shall mean Net Operating Profit After Taxes (NOPAT is defined as sales minus operating expenses minus taxes) minus a Capital Charge calculated by multiplying a Cost of Capital times the actual Capital (Capital is defined as total assets less current and other liabilities exclusive of debt). Certain adjustments are necessary to determine NOPAT and Capital.

An appropriate average three-year VVA target will be established; a range of values above and below such target will then be selected to measure achievement above or below the target.

D. REVENUE

An appropriate average three-year Revenue target will be established for Subsidiary and Corporate with a focus on enhancing profitable top-line growth. An appropriate range of values above and below such target will then be selected to measure achievement above or below the target.

E. ESTABLISHING TARGETS

The appropriate weighting of goals, targets, range of values above and below such targets and the Performance Period to be used as a basis for the measurement of performance for Awards under the Plan will be determined by the Committee no later than 90 days after the beginning of each new Performance Period during the life of the Plan, after giving consideration to the recommendations of the Chief Executive Officer of Viad Corp. Performance Units will be earned based upon the degree of achievement of pre-defined targets over the Performance Period following the date of grant. Earned Units can range, based on operating performance using an award range of values, from 0% to 200% of the target Units.

6. OTHER PLAN PROVISIONS

Subsidiary operating or pre-tax income and Viad Corp income per share from continuing operations are determined before extraordinary or unusual items, effects of changes in accounting principles, or a change in federal income tax rates after the target has been set. Reclassification of a major business unit to discontinued operations status after targets have been set would also require adjustment because of effect on Viad Corp continuing operations results. While gains on disposition of a business would normally not be included in determining income per share, in the event of the sale of a subsidiary or major business unit, a portion of gain would be included for the difference between the sold unit's planned net income for the performance period and actual results to date of sale plus calculated interest savings on proceeds for the balance of the performance period, so that actual results are not penalized for selling a business.

An adjustment to actual operating or pre-tax income will be made for any increase or decrease in cost to a subsidiary in connection with a change in the formula allocation of corporate overhead over amounts included in the Plan at the beginning of the applicable performance period.

Incentives to be paid under this Plan must be deducted from the subsidiary corporation's and the Corporation's earnings during the Performance Period

(generally in the third year, when the amounts to be paid can be reasonably estimated). Goals must be achieved after deducting from actual results all incentive compensation applicable to such performance periods, including those incentives earned under this Plan.

7. RANGE OF PERFORMANCE AWARDS

The range of values for the Corporation's or a Subsidiary Company's operating or pre-tax income or income per share performance and the VVA and Revenue measurements will be recommended by the Chief Executive Officer of Viad Corp for approval by the Committee.

Performance Units will be earned based upon the degree of achievement of each of the pre-defined targets (operating or pre-tax income or income per share, VVA, and Revenue) over the Performance Period following the date of grant. A range of values will be established for the operating income or income per share target (to carry a 70% weighting), for the VVA target (to carry a 30% weighting), and for the Revenue target (to be used for adjustment to the total bonus pool otherwise accruable by 95% (threshold) up to 105% (maximum), depending upon the achievement against the revenue target).

8. PARTICIPANT ELIGIBILITY

Personnel will be eligible for participation as recommended by the Chief Executive Officer of Viad Corp for approval by the Committee no later than 90 days after the beginning of each new Performance Period during the life of the Plan, limited only to those key executives who contribute in a substantial measure to the successful performance of the Corporation or its Affiliates. The Chief Executive Officer will recommend for approval by the Committee which Affiliates among its Affiliates should be included in the Plan.

9. AWARD DETERMINATION

The number of Units to be awarded will be determined, generally, by multiplying a factor times the Participant's annual base salary in effect at the time the Award is granted and dividing the result by the average of the high and low of the Corporation's Common Stock on the date of approval of the grant by the Committee. The Award factor will be recommended by the Chief Executive Officer of Viad Corp for approval by the Committee annually no later than 90 days after the beginning of each new performance period. The Committee may adjust the number of Units awarded in its discretion.

10. GENERAL TERMS AND CONDITIONS

The Committee shall have full and complete authority and discretion, except as expressly limited by the Plan, to grant Units and to provide the terms and conditions (which need not be identical among Participants) thereof. Without limiting the generality of the foregoing, the Committee may specify a Performance Period of not less than two years or not more than five years, rather than the three-year Performance Period provided for above, and such time period will be substituted as appropriate to properly effect the specified Performance Period. No Participant or any person claiming under or through such person shall have any right or interest, whether vested or otherwise, in the Plan or in any Award thereunder, contingent or otherwise, unless and until all the terms, conditions, and provisions of the Plan and its approved administrative requirements that affect such Participant or such other person shall have been complied with. Nothing contained in the Plan or its Administrative Guidelines shall (i) require the Corporation to segregate cash or other property on behalf of any Participant or (ii) affect the rights and power of the Corporation or its Affiliates to dismiss and/or discharge any Participant at any time.

Any recapitalization, reclassification, stock split, stock dividend sale of assets, combination or merger not otherwise provided for herein which affects the outstanding shares of Common Stock of the Corporation or any other change in the capitalization of the Corporation affecting the Common Stock shall be appropriately adjusted for by the Committee or the Board, and any such adjustments shall be final, conclusive and binding.

11. PAYMENTS OF AWARDS

(a) Performance Unit Awards which may become payable under this Plan shall be calculated as determined by the Committee but any resulting Performance Unit Award payable shall be subject to the following calculation: each Unit payable shall be multiplied by the average of the daily means of the market prices of the Corporation's Common Stock during the ten trading day period beginning on the day following public announcement of the Corporation's year-end financial results following the Performance Period. Distribution of the Award will be made within ninety (90) days following the close of the Performance Period. For those Executive Officers affected by Section 162(m) of the Internal Revenue Code, awards will be subject to discretionary downward adjustment by the Committee.

(b) Performance Unit Awards granted under this Plan shall be payable during the lifetime of the Participant to whom such Award was granted only to such Participant; and, except as provided in (d) and (e) of this Section 11, no such Award will be payable unless at the time of payment such Participant is an employee of and has continuously since the grant thereof been an employee of,

the Corporation or an Affiliate. Neither absence or leave, if approved by the Corporation, nor any transfer of employment between Affiliates or between an Affiliate and the Corporation shall be considered an interruption or termination of employment for purposes of this Plan.

(c) Prior to the expiration of the Performance Period, all Participants will be provided an irrevocable option to defer all or a portion of any earned Performance Unit Award, if there be one but not less than a specified minimum, in written form as prescribed by the Board under the provisions of a deferred compensation plan for executives of the Corporation and its Affiliates, if one be adopted.

(d) If a Participant to whom a Performance Unit Award was granted shall cease to be employed by the Corporation or its Affiliate for any reason (other than death, disability, or retirement) prior to the completion of any applicable Performance Period, said Performance Unit Award will be withdrawn and subsequent payment in any form at any time will not be made.

(e) If a Participant to whom a Performance Unit Award was granted shall cease to be employed by the Corporation or its Affiliate due to early, normal, or deferred retirement, or in the event of the death or disability of the Participant, during the Performance Period stipulated in the Performance Unit Award, such Award shall be prorated for the period of time from date of grant to date of retirement, disability or death, as applicable, and become payable within ninety (90 days) following the close of the Performance Period to the Participant or the person to whom interest therein is transferred by will or by the laws of descent and distribution. Performance Unit Awards shall be determined at the same time and in the same manner (except for applicable proration) as described in Section 11(a).

(f) There shall be deducted from all payment of Awards any taxes required to be withheld by any Federal, State, or local government and paid over to any such government in respect to any such payment.

12. EFFECT OF CHANGE OF CONTROL

Notwithstanding anything to the contrary in this Plan, in the event of a Change of Control (as defined in the 1997 Viad Corp Omnibus Incentive Plan) each participant in the Plan shall be entitled to a prorata bonus award calculated on the basis of achievement of performance goals through the date of the Change of Control.

13. ASSIGNMENTS AND TRANSFERS

No award to any Participant under the provisions of the Plan may be assigned, transferred, or otherwise encumbered except, in the event of death of a Participant, by will or the laws of descent and distribution.

14. AMENDMENT OR TERMINATION

The Board may amend, suspend, or terminate the Plan or any portion thereof at any time provided, however, that no such amendment, suspension, or termination shall invalidate the Awards already made to any Participant pursuant to the Plan, without his consent.

15. EFFECTIVE DATE

The Plan shall be effective January 1, 1997, provided however, that any Award made under this Plan is subject to the approval of the 1997 Viad Corp Omnibus Incentive Plan by the stockholders of Viad Corp.

EXHIBIT 10.F(i)
AMENDED AND RESTATED
EXECUTIVE SEVERANCE AGREEMENT
AS OF MARCH 15, 2001

This Agreement is between Viad Corp, a Delaware corporation (the "Corporation"), and Robert H. Bohannon (the "Executive").

WITNESSETH:

WHEREAS, the Board of Directors (the "Board") of the Corporation has authorized the Corporation to enter into an employment agreement with Executive; and

WHEREAS, the Executive is a key executive of the Corporation and the employment agreement provides that Corporation shall enter into an Executive Severance Agreement with Executive comparable in form and substance to the executive severance agreement between Corporation and Executive's predecessor; and

WHEREAS, should the Corporation receive any proposal from a third person concerning a possible business combination with, or acquisition of equity securities of, the Corporation, the Board believes it imperative that the Corporation and the Board be able to rely upon the Executive to continue in his position, and that the Corporation be able to receive and rely upon his advice when requested as to the best interests of the Corporation and its shareholders, without concern that he might be distracted by the personal uncertainties and risks created by such a proposal; and

WHEREAS, should the Corporation receive any such proposals, in addition to the Executive's regular duties, he may be available to be called upon to assist in the assessment of such proposals, to advise management and the Board as to whether such proposals would be in the best interests of the Corporation and its shareholders, and to take such other actions as the Board might determine to be appropriate.

NOW, THEREFORE, to assure the Corporation that it will have the continued dedication of the Executive and the availability of his advice and counsel notwithstanding the possibility, threat or occurrence of a bid to take over control of the Corporation, and to induce the Executive to remain in the employ of the Corporation, and for other good and valuable consideration, the Corporation and the Executive agree as follows:

1. Services During Certain Events. In the event a third person begins a tender or exchange offer, circulates a proxy to shareholders, or takes other steps seeking to effect a Change of Control (as hereafter defined), the Executive agrees that he will not voluntarily leave the employ of the Corporation, and will render the services contemplated in the recitals to this Agreement, until the third person has abandoned or terminated his or its efforts to effect a Change of Control or until six months after a Change of Control has occurred.

2. Definition of Change of Control. For the purposes of this Agreement, a "Change of Control" shall mean any of the following events:

(a) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (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 (i) the then outstanding shares of common stock of the Corporation (the "Outstanding Corporation Common Stock") or (ii) 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"); provided, however, that for purposes of this subsection (a), the following acquisitions shall not constitute a Change of Control: (i) any acquisition directly from 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, (ii) any acquisition by the Corporation, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Corporation or any corporation controlled by the Corporation or (iv) any acquisition by any corporation pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (c) of this Section 2; or

(b) Individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Corporation's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(c) Approval by the shareholders of the Corporation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Corporation (a "Business Combination"), in each case, unless, following such Business Combination, (i) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Corporation Common Stock and Outstanding Corporation Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of, respectively, the then 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 resulting from such Business Combination (including, without limitation, a corporation 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 Business Combination of the Outstanding Corporation Common Stock and Outstanding Corporation Voting Securities, as the case may be, (ii) no Person (excluding any employee benefit plan (or related trust) of the Corporation or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of, respectively, the then outstanding shares of common stock of the corporation resulting from

such Business Combination or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination, and (iii) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

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

3. Definitions.

a) For purposes of this Agreement, "Cause" 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 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 provision, 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 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 Agreement, "Good Reason" 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 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 promptly after receipt of notice thereof given by the Executive;

(ii) Any reduction by the Corporation 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 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 requiring the Executive to travel on Corporation business to a substantially greater extent than required immediately prior to the Change of Control;

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

(v) Any failure by the Corporation to comply with and satisfy Section 5(d) of this Agreement.

For purposes of this Agreement, any good faith determination of "Good Reason" made by the Executive shall be conclusive.

4. Termination After Change of Control. In the event the Executive's employment with the Corporation is terminated (a) involuntarily without Cause, at any time, (b) by the Executive for Good Reason at any time, or (c) by the Executive for any reason at least six months after the Change of Control (other than as a result of his death, disability or retirement at or after his normal retirement date under the Corporation's retirement plans), but in each case within eighteen months after a Change of Control:

(a) Lump Sum Cash Payment. On or before the Executive's last day of employment with the Corporation, the Corporation will pay to the Executive as compensation for services rendered to the Corporation a lump sum cash amount (subject to any applicable payroll or other taxes required to be withheld) equal to three times the sum of (i) his highest annual salary fixed during the period he was an employee of the Corporation, plus (ii) the greater of (A) the largest amount awarded to him in a year as a cash bonus (whether or not deferred) under the Corporation's Management Incentive Plan and Performance Unit Incentive Plan or other similar short and long term cash incentive plans or arrangements providing for performance bonus payments during the preceding four years or (B) the target bonus (under all of the Corporation's bonus plans for which the Executive is eligible including the Corporation's Management Incentive Plan and Performance Unit Incentive Plan) for the fiscal year in which the Change of Control occurs.

(b) Employee Plans. The Executive's participation in the life, accident and health insurance plans of the Corporation, and in fringe benefits provided the Executive prior to

the Change of Control or his termination, whichever is more favorable, shall be continued, or equivalent benefits provided, by the Corporation, at no direct cost to him for a period of three years from the date his employment terminates (or until his normal retirement date, whichever is sooner). The Executive's participation in any applicable retirement and/or pension plans of the Corporation or any of its subsidiaries shall continue only through the last day of his employment. Any terminating distributions and/or vested rights under such plans shall be governed by the terms of the respective plans.

(c) Acceleration of Stock Awards. Stock options and any other rights granted to the Executive by the Corporation under its 1983 Stock Option and Incentive Plan, its 1992 Stock Incentive Plan and any later or successor plan or plans (collectively, the "Stock Incentive Plans"), will be exercisable in full for a period of 90 days (i) following the date of a Change of Control of the Corporation, or (ii) commencing on the date of approval by the Corporation's shareholders of an agreement providing for a merger in which the Corporation will not remain an independent publicly owned corporation or a consolidation or a sale or other disposition of all or substantially all the assets of the Corporation, provided that no option or right shall be exercisable by the Executive within six months after the date of grant, or after the termination date, of such option or right. In the event of a Change of Control, the restrictions and deferral limitations applicable to any restricted or deferred stock awarded under the Stock Incentive Plans shall lapse, and such stock shall become free of all restrictions and become fully vested and transferable to the full extent of the original grant.

If either (i) the transaction or transactions which resulted in the Change of Control were not approved by a vote of at least two-thirds (2/3) of the directors of the Company who are members of the Incumbent Board as described in subparagraph (b) of Section 2 above, or originated with an unsolicited offer (as determined by the Incumbent Board in good faith), or (ii) the Board of Directors of the Company, in its discretion, determines that this provision shall apply in the event of a Change of Control, then the Executive shall have the rights set forth in this paragraph. If this paragraph applies, then in lieu of cashing-out or exercising some or all of his stock options granted to the Executive under the Stock Incentive Plans, the Executive may, during the period in which the Executive could otherwise exercise such options under this Section 4 (c), cancel such options in exchange for an amount equal to (i) the fair market value of a share of the Corporation's common stock on a date selected by the Executive (the "Exercise Date"), such date being no earlier than 30 days prior to the event described in this Section 4(c) and no later than 30 days after such event, multiplied by (ii) the number of shares subject to the stock options for which such election is made, and then minus (iii) the aggregate purchase price for such shares under the applicable stock option agreements. The Executive must provide written notice to the Corporation which sets forth the options (or portion thereof) he wishes to cancel, the number of shares being canceled, and the Exercise Date elected by the Executive. Payment to the Executive shall be made in lump sum in cash within five days following delivery of such written notice to the Corporation.

(d) Special Retirement Benefits. The Executive shall receive Special Retirement Benefits payable hereunder to the Executive or his beneficiaries equal to the excess of the amount specified in subsection (d)(i) over that in (d)(ii) below;

(i) The total retirement benefits that would be paid to the Executive or his beneficiaries, if either (x) the three years (or the period to his normal retirement date, if less) following his termination, or
(y) the number of years necessary to accumulate twenty years of credited service, whichever is greater, are added to his credited service under the Corporation's pension plans (including any predecessor or successor or substitute plan or plans of the Corporation), and his final average compensation is as determined under the Plans referred to in this subsection (d)(i) (the amount specified in subsection (a) of this Section 4 not being considered "compensation" for purposes of calculating final average compensation under this subsection (d)(i)), in each case utilizing actuarial assumptions no less favorable to the Executive than those used in the Corporation's pension plans immediately prior to the Change of Control;

(ii) The total retirement benefits actually payable to the Executive or his beneficiaries under the Corporation's retirement plans (including any successor plans of the Corporation).

All Special Retirement Benefits and other benefits provided for herein are provided on an unfunded basis and are not intended to meet the qualification requirements of Section 401 of the Internal Revenue Code. All Special Retirement Benefits and other benefits provided for herein shall be payable solely from the general assets of the Corporation or its appropriate affiliate.

(e) Taxes: Anything in this Agreement to the contrary notwithstanding, and whether or not the Executive becomes entitled to severance payments under this Agreement, if any of the payments or benefits received or to be received by the Executive in connection with a Change of Control (whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement with the Corporation, any person whose actions result in a Change of Control, or any person affiliated with the Corporation or such person) (such payments or benefits, excluding the Gross-Up Payment, being hereinafter referred to as the "Total Payments") would be subject to the excise tax imposed under Section 4999 of the Code (the "Excise Tax"), the Corporation shall pay to the Executive an additional amount (the "Gross-Up Payment") such that the net amount retained by the Executive, after deduction of any Excise Tax on the Total Payments and any federal, state and local income and employment taxes and Excise Tax upon the Gross-Up Payment, shall be equal to the Total Payments. For purposes of determining the amount of the Gross-Up Payment, the Executive shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation in the calendar year in which the Gross-Up Payment is to be made and state and local income taxes at the highest marginal rates of taxation in the state and locality of the residence of the Executive on the last day of the Executive's employment with the Corporation (the "Date of Termination"), net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes.

(i) Determination By Accountant. All determinations required to be made under this Section 4(e), including whether a Gross-Up Payment is required and the amount of such Gross-Up Payment, shall be made by the independent accounting firm which served as the Corporation's auditor immediately prior to the Change of

Control (the "Accounting Firm"), which shall provide detailed supporting calculations both to the Corporation and the Executive within fifteen (15) business days after the Date of Termination, if applicable, or such earlier time as is requested by the Corporation. In the event that the Accounting Firm is also serving as accountant or auditor for the individual, entity, or group effecting the Change of Control, the Executive may appoint another nationally recognized public accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder), by giving written notice of such appointment to the Corporation within 5 business days after the Date of Termination. All fees and expenses of the Accounting Firm shall be borne solely by the Corporation and it shall be the Corporation's obligation to cause the Accounting Firm to take any actions required hereby.

If the Accounting Firm determines that no Excise Tax is payable by the Executive, it shall furnish the Executive with an opinion that he or she has substantial authority not to report any Excise Tax on his or her federal income tax return. 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 a Gross-Up Payment which will not have been made by the Corporation should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Corporation exhausts its remedies pursuant to Section 4(e)(ii) 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.

(ii) 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 knows of such claim and 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 he or she 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:

(A) give the Corporation any information reasonably requested by the Corporation relating to such claim,

(B) 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,

(C) cooperate with the Corporation in good faith in order to effectively contest such claim,

(D) 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 with respect thereto, imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 4 (e), the Corporation shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, 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 advance the amount of such payment to the Executive, on an interest-free basis and shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax, including interest or penalties with respect thereto, imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided 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 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.

(iii) Repayment. If, after the receipt by the Executive of an amount advanced by the Corporation pursuant to Section 4(e)(ii), the Executive becomes entitled to receive any refund with respect to such claim, the Executive shall (subject to the Corporation's complying with the requirements of Section 4(e)(ii)) 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 advanced by the Corporation pursuant to Section 4(e)(ii), 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 such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

5. General.

(a) Indemnification. If litigation shall be brought to enforce or interpret any provision contained herein, the Corporation, to the extent permitted by applicable law and the Corporation's Articles of Incorporation, hereby indemnifies the Executive for his reasonable attorneys' fees and disbursements incurred in such litigation, and hereby agrees to pay prejudgment interest on any money judgment obtained by the Executive calculated at the Citibank prime interest rate in effect from time to time from the date that payment(s) to him should have been made under this Agreement.

(b) Payment Obligations Absolute. The Corporation's obligation to pay the Executive the Compensation and 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, counterclaim, recoupment, defense or other right which the Corporation may have against him or anyone else. All amounts payable by the Corporation hereunder shall be paid without notice or demand. Each and every payment made hereunder by the Corporation shall be final and the Corporation will not seek to recover all or any part of such payment from the Executive or from whosoever may be entitled thereto, for any reason whatsoever. The Executive shall not be obligated to seek other employment in mitigation of the amounts payable or arrangements made under any provision of this Agreement, and the obtaining of any such other employment shall in no event effect any reduction of the Corporation's obligations to make the payments and arrangements required to be made under this Agreement.

(c) Continuing Obligations. The Executive shall retain in confidence any confidential information known to him concerning the Corporation and its subsidiaries and their respective businesses so long as such information is not publicly disclosed.

(d) Successors.

(i) This Agreement is personal to the Executive and without the prior written consent of the Corporation shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.

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

(iii) 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 Agreement 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 Agreement, Corporation shall mean the Corporation as hereinbefore defined and which assumes and agrees to perform this Agreement by operation of law, or otherwise.

(e) Severability. Any provision in this Agreement 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.

(f) Other Agreements. In the event the Executive's employment with the Corporation terminates and the Executive is entitled to receive termination, separation or other like amounts from the Corporation pursuant to any contract of employment, general prevailing separation pay policy, or other program of the Corporation, all such amounts shall be applied to and set off against the Corporation's obligation set forth in subsection (a) of Section 4 of this Agreement, subsection (b) of this Section notwithstanding.

(g) Controlling Law. This Agreement shall in all respects be governed by, and construed in accordance with, the laws of the State of Delaware.

(h) Termination. This Agreement shall terminate if the Board determines that the Executive is no longer a key executive to be provided a severance agreement and so notifies the Executive; except that such determination shall not be made, and if made shall have no effect, (i) within eighteen months after the Change of Control in question 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, in the opinion of the Board, the third person has abandoned or terminated his efforts to effect a Change of Control. Any decision by the Board that the third person has abandoned or terminated his efforts to effect a Change of Control shall be conclusive and binding on the Executive.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the 15th day of March, 2001.

/s/

Robert H. Bohannon

ATTESTED:

Viad Corp

By: /s/

By: /s/

Secretary

Scott E. Sayre
Vice President-General Counsel
and Corporate Secretary

EXHIBIT 10.F(ii)
(FIRST TIER)

VIAD CORP
AMENDED AND RESTATED
EXECUTIVE SEVERANCE PLAN
AS OF MARCH 15, 2001

1. **PURPOSE:** To provide management continuity by inducing selected Executives to remain in the employ of Viad Corp ("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 ("Board") of the Corporation as to whether such proposals would be in the best interests of the Corporation and its shareholders or one of its subsidiaries, 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 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) The acquisition by an individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (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: (i) the then outstanding shares of common stock of the Corporation (the "Outstanding Corporation Common Stock") or (ii) 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"); provided, however, that for purposes of this subsection (a), the following acquisitions shall not constitute a Change of Control: (i) any acquisition directly from 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, (ii) any acquisition by the Corporation, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Corporation or any corporation controlled by the Corporation or (iv) any acquisition by any corporation pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (c) of this Section 4; or

(b) individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Corporation's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(c) approval by the shareholders of the Corporation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Corporation (a "Business Combination"), in each case, unless, following such Business Combination, (i) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Corporation Common Stock and Outstanding Corporation Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of, respectively, the then 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 resulting from such Business Combination (including, without limitation, a corporation 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 Business Combination, of the Outstanding Corporation Common Stock and Outstanding Corporation Voting Securities, as the case may be,

(ii) no Person (excluding any employee benefit plan (or related trust) of the Corporation or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such Business Combination and or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination and (iii) at least a majority of the members of the Board of Directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or (d) Approval by the shareholders of the Corporation of a complete liquidation or dissolution of the Corporation.

5. DEFINITIONS:

(a) For purposes of this Agreement, "Cause" 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 provision, 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 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.

(c) For purposes of this Agreement, "Good Reason" 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 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 promptly after receipt of notice thereof given by the Executive;

(ii) any reduction by the Corporation 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 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 requiring the Executive to travel on Corporation business to a substantially greater extent than required immediately prior to the Change of Control;

(iv) any purported termination by the Corporation of the Executive's employment otherwise than as expressly permitted by this Agreement; or

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

For purposes of this Agreement, any good faith determination of "Good Reason" made by the Executive shall be conclusive.

(d) For purposes of this Agreement, "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 paid in the event the Executive's employment with the Corporation or any of its subsidiaries is terminated (other than as a consequence of his death or disability, or of his retirement at or after his normal retirement date under the Corporation's or a subsidiaries' retirement plan) if the Executive is terminated:

- (a) involuntarily by the Corporation without Cause; or
- (b) by the Executive for Good Reason; in either case within 18 months following a Change of Control, or
- (c) by the Executive's own election for any reason during the Window Period.

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) his highest annual salary fixed during the period he was an employee of the Corporation or any of its subsidiaries, plus (ii) the greater of (x) the largest amount awarded to him in a year as cash bonus (whether or not deferred) under the Corporation's Management Incentive Plan and Performance Unit Incentive Plan or other similar short and long term cash incentive plans or arrangements providing for performance bonus payments during the preceding four years or if the Executive has not been employed for at least four full fiscal years, all of the completed full fiscal years during which the Executive has been employed) or (y) the target bonus (under all of the Corporation's bonus plans for which the Executive is eligible, including the Corporation's Management Incentive Plan and Performance Unit Incentive Plan) for the fiscal year in which the Change of Control occurs, multiplied by:

- (i) Three if the termination is involuntary without Cause or Good Reason, 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 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 to the Executive for a period of:

- (i) Three years if the termination is involuntary without Cause or for Good Reason, 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.

(c) Special Retirement Benefits: The Executive shall receive Special Retirement Benefits payable hereunder to the Executive or his beneficiaries equal to the excess of the amount specified in subsection (c)(i) or subsection (c)(ii), as the case may be, over that in subsection (c)(iii) below:

(i) If the termination is involuntary without Cause or for Good Reason, the total retirement benefits that would be paid to the Executive or his beneficiaries under the Viad Employees' Retirement Income Plan, or the applicable subsidiary pension plan in which the Executive participates (in either case, the "Retirement Plan"), if the Executive's employment continued for either (x) the three years (or the period to his normal retirement date, if less) following his termination, or (y) the number of years necessary to be vested under the Retirement Plan (including any predecessor or successor or substitute plan or plans of the Corporation or any of its subsidiaries), whichever is greater, and his final average compensation is as determined under the Retirement Plan, in each case using actuarial assumptions no less favorable to the Executive than those used in the Retirement Plan immediately prior to the Change of Control (the "Actuarial Assumptions"). For the purposes hereof, the amount specified in Section 7(a) shall not be considered "compensation" for purposes of calculating final average compensation under this subsection (c)(i);

(ii) if the termination is voluntary during the Window Period, the total retirement benefits that would be paid to the Executive or his beneficiaries under the Retirement Plan using the Actuarial Assumptions, if any, if two years (or the period to his normal retirement date, if less) following his termination is added to his credited service and his final average compensation is as determined under the applicable pension plan referred to in this subsection (c)(ii). For the purposes hereof, the amount specified in Section 7(a) shall not be considered "compensation" for purposes of calculating final average compensation under this subsection (c)(ii);

(iii) the total qualified and unqualified benefits actually payable to the Executive or his beneficiaries under the Retirement Plan. All special Retirement Benefits and other benefits provided for herein are provided on an unfunded basis, are not intended to meet the qualification requirements of Section 401 of the Internal Revenue Code, and shall be payable solely from the general assets of the Corporation or its appropriate subsidiary.

(d) Taxes: Anything in this Plan to the contrary notwithstanding, and whether or not the Executive becomes entitled to severance payments under this Plan, if any of the payments or benefits received or to be received by the Executive in connection with a Change of Control (whether pursuant to the terms of this Plan or any other plan, arrangement or agreement with the Corporation, any person whose actions result in a Change of Control, or any person affiliated with the Corporation or such person) (such

payments or benefits, excluding the Gross-Up Payment, being hereinafter referred to as the "Total Payments") would be subject to the excise tax imposed under Section 4999 of the Code (the "Excise Tax"), the Corporation shall pay to the Executive an additional amount (the "Gross-Up Payment") such that the net amount retained by the Executive, after deduction of any Excise Tax on the Total Payments and any federal, state and local income and employment taxes and Excise Tax upon the Gross-Up Payment, shall be equal to the Total Payments. For purposes of determining the amount of the Gross-Up Payment, the Executive shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation in the calendar year in which the Gross-Up Payment is to be made and state and local income taxes at the highest marginal rates of taxation in the state and locality of the residence of the Executive on the last day of the Executive's employment with the Corporation (the "Date of Termination"), net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes.

(i) Determination By Accountant. All determinations required to be made under this Section 7(d), including whether a Gross-Up Payment is required and the amount of such Gross-Up Payment, shall be made by the independent accounting firm which served as the Corporation's auditor immediately prior to the Change of Control (the "Accounting Firm"), which shall provide detailed supporting calculations both to the Corporation and the Executive within fifteen (15) business days after the Date of Termination, if applicable, or such earlier time as is requested by the Corporation. In the event that the Accounting Firm is also serving as accountant or auditor for the individual, entity, or group effecting the Change of Control, the Executive may appoint another nationally recognized public accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder), by giving written notice of such appointment to the Corporation within 5 business days after the Date of Termination. All fees and expenses of the Accounting Firm shall be borne solely by the Corporation and it shall be the Corporation's obligation to cause the Accounting Firm to take any actions required hereby.

If the Accounting Firm determines that no Excise Tax is payable by the Executive, it shall furnish the Executive with an opinion that he or she has substantial authority not to report any Excise Tax on his or her federal income tax return. 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 a Gross-Up Payment which will not have been made by the Corporation should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Corporation exhausts its remedies pursuant to Section 7(d)(ii) 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.

(ii) 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 knows of such claim and 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 he or she 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:

(A) give the Corporation any information reasonably requested by the Corporation relating to such claim,

(B) 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,

(C) cooperate with the Corporation in good faith in order to effectively contest such claim,

(D) 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 with respect thereto, imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 7 (d), the Corporation shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, 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 advance the amount of such payment to the Executive, on an interest-free basis and shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax, including interest or penalties with respect thereto, imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided 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 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.

(iii) Repayment. If, after the receipt by the Executive of an amount advanced by the Corporation pursuant to Section 7(d)(ii), the Executive becomes entitled to receive any refund with respect to such claim, the Executive shall (subject to the Corporation's complying with the requirements of Section 7(d)(ii)) 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 advanced by the Corporation pursuant to Section 7(d)(ii), 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 such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

(E) ACCELERATION OF STOCK AWARDS. Stock Options and any other rights granted to the Executive by the Corporation under its 1973 Stock Option Plan, its 1983 Stock Option and Incentive Plan, its 1992 Stock Incentive Plan and any later or successor plan or plans (collectively, the "Stock Incentive Plans"), will be exercisable in full for a period of 90 days (i) following the date of a Change of Control of the Corporation or (ii) commencing on the date of approval by the Corporation's shareholders of an agreement providing for a merger or a consolidation in which the corporation will not remain an independent publicly owned corporation or a sale or other disposition of all or substantially all of the assets of the Corporation, provided that no option or right shall be exercisable by the Executive within six months after the date of grant, or after the termination date, of such option or right. In the event of a Change of Control, the restrictions and deferral limitations applicable to any restricted or deferred stock awarded under the Stock Incentive Plans shall lapse, and such stock shall become free of all restrictions and become fully vested and transferable to the full extent of the original grant.

If either (i) the transaction or transactions which resulted in the Change of Control were not approved by a vote of at least two-thirds (2/3) of the directors of the Company who are members of the Incumbent Board as described in subparagraph (b) of Section 4 above, or originated with an unsolicited offer (as determined by the Incumbent Board in good faith), or (ii) the Board of Directors of the Company, in its discretion, determines that this provision shall apply in the event of a Change of Control, then the Executive shall have the rights set forth in this paragraph. If this paragraph applies, then in lieu of cashing-out or exercising some or all of his stock options granted to the Executive under the Stock Incentive Plans, the Executive may, during the period in which the Executive could otherwise exercise such options under this Section 7 (e), cancel such options in exchange for an amount equal to (i) the fair market value of a share of the Corporation's common stock on a date selected by the Executive (the "Exercise Date"), such date being no earlier than 30 days prior to the event described in this Section 7(e) and no later than 30 days after such event, multiplied by (ii) the number of shares subject to the stock options for which such election is made, and then minus

(iii) the aggregate purchase price for

such shares under the applicable stock option agreements. The Executive must provide written notice to the Corporation which sets forth the options (or portion thereof) he wishes to cancel, the number of shares being canceled, and the Exercise Date elected by the Executive. Payment to the Executive shall be made in lump sum in cash within five days following delivery of such written notice to the Corporation.

8. 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 the Executive for his reasonable attorneys' fees and disbursements incurred in such litigation, and hereby agrees to 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 Agreement until the date the payment(s) is made.

9. 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 may have against him or anyone else. All amounts paid or payable by the Corporation or subsidiary 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. The Executive shall not 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) 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 as provided in such Certificate and other documents required to be presented under the agreement, unless the Corporation, 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 14.

10. CONTINUING OBLIGATIONS: The Executive shall 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.

11. SUCCESSORS:

(a) This Agreement is personal to the Executive and without the prior written consent of the Corporation shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.

(b) This Agreement 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 Agreement 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 Agreement, Corporation shall mean the Corporation as hereinbefore defined and any other person or entity which assumes or agrees to perform this Agreement by operation of law, or otherwise.

12. 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.

13. OTHER 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 13 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.

14. TERMINATION: This Agreement 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; except that such determination shall not be made, and if made, shall have no effect (i) within eighteen months after the Change

of Control in question 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 such Board in good faith, but in its sole discretion.

EXHIBIT 10F(ii)
(Second Tier)

VIAD CORP
AMENDED AND RESTATED
EXECUTIVE SEVERANCE PLAN
AS OF MARCH 15, 2001

1. **PURPOSE:** To provide management continuity by inducing selected Executives to remain in the employ of Viad Corp ("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 ("Board") of the Corporation as to whether such proposals would be in the best interests of the Corporation (including 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 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) The acquisition by an individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (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: (i) the then outstanding shares of common stock of the Corporation (the "Outstanding Corporation Common Stock") or (ii) 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"); provided, however, that for purposes of this subsection (a), the following acquisitions shall not constitute a Change of Control: (i) any acquisition directly from 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, (ii) any acquisition by the Corporation, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Corporation or any

corporation controlled by the Corporation or (iv) any acquisition by any corporation pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (c) of this Section 4; or

(b) individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Corporation's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(c) approval by the shareholders of the Corporation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Corporation (a "Business Combination"), in each case, unless, following such Business Combination, (i) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Corporation Common Stock and Outstanding Corporation Voting Securities immediately prior to such Business Combination, beneficially own, directly or indirectly, more than 60% of, respectively, the then 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 resulting from such Business Combination (including, without limitation, a corporation 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 Business Combination, of the Outstanding Corporation Common Stock and Outstanding Corporation Voting Securities, as the case may be,

(ii) no Person (excluding any employee benefit plan (or related trust) of the Corporation or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination and (iii) at least a majority of the members of the Board of Directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

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

5. DEFINITIONS:

(a) For purposes of this Agreement, "Cause" 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 provision, 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 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.

(c) For purposes of the Agreement, "Good Reason" 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 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 promptly after receipt of notice thereof given by the Executive;

(ii) any reduction by the Corporation 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 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 requiring the Executive to travel on Corporation business to a substantially greater extent than required immediately prior to the Change of Control;

(iv) any purported termination by the Corporation of the Executive's employment otherwise than as expressly permitted by this Agreement; or

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

For purposes of this Agreement, any good faith determination of "Good Reason" made by the Executive shall be conclusive.

6. **ELIGIBILITY FOR BENEFITS:** Benefits as described in Section 7 shall be paid only in the event the Executive's employment with the Corporation or any of its subsidiaries is terminated involuntarily by the Corporation without Cause, (other than as a consequence of his death or disability, or of his retirement at or after his normal retirement date under the Corporation's or a subsidiary's retirement plan), or by the Executive for Good Reason, in each case, within eighteen months after a Change of Control of the Corporation.

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 two times the sum of (i) his highest annual salary fixed during the period he was an employee of the Corporation or any of its subsidiaries, plus (ii) the greater of (x) the largest amount awarded to him in a year as cash bonus (whether or not deferred) under the Corporation's Management Incentive Plan and Performance Unit Incentive Plan or other similar short and long term cash incentive plans or arrangements providing for performance bonus payments during the preceding four years (or, if the Executive has not been employed for at least four full fiscal years, all of the completed full fiscal years during which the Executive has been employed) or (y) the target bonus (under all of the Corporation's bonus plans for which the Executive is eligible including the Corporation's Management Incentive Plan and Performance Unit 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 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 to the Executive for a period of two years 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.

(c) **SPECIAL RETIREMENT BENEFITS:** The Executive shall receive Special Retirement Benefits payable hereunder to the Executive or his beneficiaries equal to the excess of the amount specified in subsection (c)(i) over that in subsection (c)(ii) below:

(i) The total retirement benefits that would be paid to the Executive or his beneficiaries under the Viad Employees' Retirement Income Plan, or the applicable subsidiary pension plan in which the Executive participates (in either case, the "Retirement Plan"), if either (x) the two years (or the period to his normal retirement date, if less) following his termination, or (y) the number of years necessary to be vested under the Retirement Plan (including any predecessor or successor or substitute plan or plans of the Corporation or any of its subsidiaries),

whichever is greater, is counted and his final average compensation is as determined under the Retirement Plan, in each case using actuarial assumptions no less favorable to the Executive than those used in the Retirement Plan immediately prior to the Change of Control (the "Actuarial Assumptions"). For the purposes hereof, the amount specified in Section 7(a) shall not be considered "compensation" for purposes of calculating final average compensation under this subsection (c)(i);

(ii) the total qualified and unqualified benefits actually payable to the Executive or his beneficiaries under the Retirement Plan. All Special Retirement Benefits and other benefits provided for herein are provided on an unfunded basis, are not intended to meet the qualification requirements of Section 401 of the Internal Revenue Code, and shall be payable solely from the general assets of the Corporation or its appropriate subsidiary.

(d) Taxes: Anything in this Plan to the contrary notwithstanding, and whether or not the Executive becomes entitled to severance payments under this Plan, if any of the payments or benefits received or to be received by the Executive in connection with a Change of Control (whether pursuant to the terms of this Plan or any other plan, arrangement or agreement with the Corporation, any person whose actions result in a Change of Control, or any person affiliated with the Corporation or such person) (such payments or benefits, excluding the Gross-Up Payment, being hereinafter referred to as the "Total Payments") would be subject to the excise tax imposed under Section 4999 of the Code (the "Excise Tax"), the Corporation shall pay to the Executive an additional amount (the "Gross-Up Payment") such that the net amount retained by the Executive, after deduction of any Excise Tax on the Total Payments and any federal, state and local income and employment taxes and Excise Tax upon the Gross-Up Payment, shall be equal to the Total Payments. For purposes of determining the amount of the Gross-Up Payment, the Executive shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation in the calendar year in which the Gross-Up Payment is to be made and state and local income taxes at the highest marginal rates of taxation in the state and locality of the residence of the Executive on the last day of the Executive's employment with the Corporation (the "Date of Termination"), net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes.

(i) Determination By Accountant. All determinations required to be made under this Section 7(d), including whether a Gross-Up Payment is required and the amount of such Gross-Up Payment, shall be made by the independent accounting firm which served as the Corporation's auditor immediately prior to the Change of Control (the "Accounting Firm"), which shall provide detailed supporting calculations both to the Corporation and the Executive within fifteen (15) business days after the Date of Termination, if applicable, or such earlier time as is requested by the Corporation. In the event that the Accounting Firm is also serving as accountant or auditor for the individual, entity, or group effecting the Change of Control, the Executive may appoint another nationally recognized public accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder), by giving written notice of such appointment to the Corporation within 5

business days after the Date of Termination. All fees and expenses of the Accounting Firm shall be borne solely by the Corporation and it shall be the Corporation's obligation to cause the Accounting Firm to take any actions required hereby. If the Accounting Firm determines that no Excise Tax is payable by the Executive, it shall furnish the Executive with an opinion that he or she has substantial authority not to report any Excise Tax on his or her federal income tax return. 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 a Gross-Up Payment which will not have been made by the Corporation should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Corporation exhausts its remedies pursuant to Section 7(d)(ii) 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.

(ii) 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 knows of such claim and 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 he or she 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:

(A) give the Corporation any information reasonably requested by the Corporation relating to such claim,

(B) 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,

(C) cooperate with the Corporation in good faith in order to effectively contest such claim,

(D) 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 with respect thereto, imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 7 (d), the Corporation shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings,

hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, 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 advance the amount of such payment to the Executive, on an interest-free basis and shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax, including interest or penalties with respect thereto, imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided 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 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.

(iii) Repayment. If, after the receipt by the Executive of an amount advanced by the Corporation pursuant to Section 7(d)(ii), the Executive becomes entitled to receive any refund with respect to such claim, the Executive shall (subject to the Corporation's complying with the requirements of Section 7(d)(ii)) 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 advanced by the Corporation pursuant to Section 7(d)(ii), 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 such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

(e) Acceleration of Stock Awards. Stock Options and any other rights granted to the Executive by the Corporation under its 1973 Stock Option Plan, its 1983 Stock Option and Incentive Plan, its 1992 Stock Incentive Plan and any later or successor plan or plans (collectively, the "Stock Incentive Plans"), will be exercisable in full for a period of 90 days (i) following the date of a Change of Control of the Corporation or (ii) commencing on the date of approval by the Corporation's shareholders of an agreement providing for a merger or a consolidation in which the Corporation will not remain an independent publicly owned corporation or a sale or other disposition of all or substantially all the assets of the Corporation, provided that no option or right shall be exercisable by the Executive within six months after the date of grant, or after the termination date, of such option or right. In the event of a Change of Control, the restrictions and deferral limitations applicable to any restricted or deferred stock awarded under the Stock Incentive Plans shall lapse, and such stock shall become free of all restrictions and become fully vested and transferable to the full extent of the original grant.

If either (i) the transaction or transactions which resulted in the Change of Control were not approved by a vote of at least two-thirds (2/3) of the directors of the Company who are members of the Incumbent Board as described in subparagraph (b) of Section 4 above, or originated with an unsolicited offer (as determined by the Incumbent Board in good faith), or (ii) the Board of Directors of the Company, in its discretion, determines that this provision shall apply in the event of a Change of Control, then the Executive shall have the rights set forth in this paragraph. If this paragraph applies, then in lieu of cashing-out or exercising some or all of his stock options granted to the Executive under the Stock Incentive Plans, the Executive may, during the period in which the Executive could otherwise exercise such options under this Section 7 (e), cancel such options in exchange for an amount equal to (i) the fair market value of a share of the Corporation's common stock on a date selected by the Executive (the "Exercise Date"), such date being no earlier than 30 days prior to the event described in this Section 7(e) and no later than 30 days after such event, multiplied by (ii) the number of shares subject to the stock options for which such election is made, and then minus (iii) the aggregate purchase price for such shares under the applicable stock option agreements. The Executive must provide written notice to the Corporation which sets forth the options (or portion thereof) he wishes to cancel, the number of shares being canceled, and the Exercise Date elected by the Executive. Payment to the Executive shall be made in lump sum in cash within five days following delivery of such written notice to the Corporation.

8. 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 the Executive for his reasonable attorneys' fees and disbursements incurred in such litigation, and hereby agrees to 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 Agreement until the date the payment(s) is made.

9. 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 may have against him or anyone else. All amounts paid or payable by the Corporation or subsidiary 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. The Executive shall not 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) 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 as provided in such Certificate and other documents required to be presented under the agreement, unless the Corporation, 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 14.

10. CONTINUING OBLIGATIONS: The Executive shall 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.

11. SUCCESSORS:

(a) This Agreement is personal to the Executive and without the prior written consent of the Corporation shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.

(b) This Agreement 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 Agreement 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 Agreement, Corporation shall mean the Corporation as hereinbefore defined and any other person or entity which assumes or agrees to perform this Agreement by operation of law, or otherwise.

12. 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.

13. OTHER 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 13 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.

14. **TERMINATION:** This Agreement 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; except that such determination shall not be made, and if made, shall have no effect (i) within eighteen months after the Change of Control in question 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 such Board in good faith, but in its sole discretion.

End of Filing