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

FORM 10-Q

(Mark one)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **September 30, 2004**

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: **001-11015**

VIAD CORP

(Exact name of registrant as specified in its charter)

Delaware

36-1169950

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

1850 North Central Avenue, Suite 800

Phoenix, Arizona

85004-4545

(Address of principal executive offices)

(Zip Code)

(602) 207-4000

(Registrant's telephone number, including area code)

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

Yes

No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Yes

No

As of October 31, 2004, 22,137,392 shares of common stock (\$1.50 par value) were outstanding.

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

VIAD CORP
CONSOLIDATED BALANCE SHEETS
(Unaudited)

| | September 30, 2004 | December 31, 2003 ¹ |
|---|--------------------|--------------------------------|
| (in thousands, except share data) | | |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 119,267 | \$ 61,286 |
| Accounts receivable, net of allowance for doubtful accounts of \$2,093 at September 30, 2004 and \$2,555 at December 31, 2003 | 57,564 | 35,008 |
| Inventories | 31,926 | 35,768 |
| Deferred income taxes | 24,037 | 19,493 |
| Other current assets | 10,513 | 11,853 |
| | <u>243,307</u> | <u>163,408</u> |
| Total current assets | 243,307 | 163,408 |
| Property and equipment, net | 150,507 | 155,580 |
| Other investments and assets | 27,587 | 25,273 |
| Deferred income taxes | 51,286 | 66,914 |
| Goodwill | 180,671 | 256,687 |
| Other intangible assets, net | 7,713 | 14,020 |
| | <u>661,071</u> | <u>681,882</u> |
| Total Assets | \$ 661,071 | \$681,882 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 42,205 | \$ 26,942 |
| Other current liabilities | 125,768 | 137,026 |
| Current portion of long-term debt and capital lease obligations | 5,189 | 3,515 |
| | <u>173,162</u> | <u>167,483</u> |
| Total current liabilities | 173,162 | 167,483 |
| Long-term debt and capital lease obligations | 17,514 | 46,577 |
| Pension and other postretirement benefits | 25,488 | 24,496 |
| Other deferred items and insurance liabilities | 97,913 | 106,208 |
| Commitments and contingencies (Note 13) | | |
| Minority interests | 3,792 | 3,247 |
| Common stock and other equity: | | |
| Net investment of Viad Corp (accounting predecessor to MoneyGram International) (Notes 1, 8 and 14) | — | 329,912 |
| Common stock, \$1.50 par value, 200,000,000 shares authorized, 24,934,981 shares issued | 37,402 | — |
| Additional capital | 673,787 | — |
| Retained deficit | (69,146) | — |
| Unearned employee benefits and other | (20,193) | — |
| Accumulated other comprehensive income (loss): | | |
| Unrealized gain on investments | 399 | 321 |
| Cumulative foreign currency translation adjustments | 13,039 | 7,851 |
| Minimum pension liability adjustment | (4,213) | (4,213) |
| Common stock in treasury, at cost, 2,801,356 shares | (287,873) | — |
| | <u>343,202</u> | <u>333,871</u> |
| Total common stock and other equity | 343,202 | 333,871 |
| Total Liabilities and Stockholders' Equity | \$ 661,071 | \$681,882 |

See Notes to Consolidated Financial Statements.

¹ Amounts derived from the audited combined financial statements of "New" Viad as of December 31, 2003.

VIAD CORP
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

| | Three months ended September 30, | | Nine months ended September 30, | |
|--|---------------------------------------|-------------------|---------------------------------|-------------------|
| | 2004 | 2003 ¹ | 2004 | 2003 ¹ |
| | (in thousands, except per share data) | | | |
| Revenues: | | | | |
| Convention show services | \$129,193 | \$ 92,498 | \$429,071 | \$428,951 |
| Exhibit design and construction | 49,681 | 39,867 | 143,463 | 149,367 |
| Travel and recreation services | 39,707 | 32,703 | 60,980 | 48,278 |
| Total revenues | 218,581 | 165,068 | 633,514 | 626,596 |
| Costs and expenses: | | | | |
| Costs of services | 142,643 | 112,981 | 427,398 | 426,196 |
| Costs of products sold | 52,409 | 43,267 | 147,503 | 149,382 |
| Corporate activities and minority interests | 4,085 | 5,596 | 10,442 | 12,626 |
| Restructuring charges (recoveries) | 850 | (200) | 1,703 | (1,476) |
| Goodwill and intangible asset impairment losses | 87,408 | — | 87,408 | — |
| Net interest expense | 394 | 295 | 1,000 | 2,629 |
| Total costs and expenses | 287,789 | 161,939 | 675,454 | 589,357 |
| Income (loss) before income taxes | (69,208) | 3,129 | (41,940) | 37,239 |
| Income tax expense (benefit) | (933) | 1,182 | 9,594 | 16,299 |
| Net income (loss) | \$ (68,275) | \$ 1,947 | \$ (51,534) | \$ 20,940 |
| Diluted income (loss) per common share | \$ (3.14) | \$ 0.09 | \$ (2.37) | \$ 0.97 |
| Average outstanding and potentially dilutive common shares | 21,767 | 21,680 | 21,726 | 21,631 |
| Basic income (loss) per common share | \$ (3.14) | \$ 0.09 | \$ (2.37) | \$ 0.97 |
| Average outstanding common shares | 21,767 | 21,568 | 21,726 | 21,542 |

See Notes to Consolidated Financial Statements.

¹ Amounts derived from the audited combined financial statements of “New” Viad.

VIAD CORP
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

| | Three months ended September 30, | | Nine months ended September 30, | |
|--|----------------------------------|-------------------|---------------------------------|-------------------|
| | 2004 | 2003 ¹ | 2004 | 2003 ¹ |
| | (in thousands) | | | |
| Net income (loss) | \$(68,275) | \$1,947 | \$(51,534) | \$20,940 |
| Other comprehensive income (loss): | | | | |
| Unrealized gains (losses) on investments: | | | | |
| Holding gains (losses) arising during the period, net of tax | (29) | 54 | 78 | 54 |
| Unrealized foreign currency translation gains (losses) | 7,593 | (286) | 5,188 | 14,328 |
| Other comprehensive income (loss) | 7,564 | (232) | 5,266 | 14,382 |
| Comprehensive income (loss) | \$(60,711) | \$1,715 | \$(46,268) | \$35,322 |

See Notes to Consolidated Financial Statements.

¹ Amounts derived from the unaudited combined financial statements of “New” Viad.

VIAD CORP
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

| | Nine months ended September 30, | |
|--|---------------------------------|-------------------|
| | 2004 | 2003 ¹ |
| | (in thousands) | |
| Cash flows from operating activities: | | |
| Net income (loss) | \$ (51,534) | \$ 20,940 |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities: | | |
| Depreciation and amortization | 16,195 | 17,604 |
| Deferred income taxes | 6,464 | 7,134 |
| Restructuring charges (recoveries) | 1,703 | (1,476) |
| Goodwill and intangible asset impairment losses | 87,408 | — |
| Other noncash items, net | 7,856 | 8,908 |
| Change in operating assets and liabilities: | | |
| Accounts receivable | (23,255) | (12,828) |
| Inventories | 3,842 | 6,669 |
| Accounts payable | 15,263 | (1,132) |
| Restructuring liability (cash payments) | (6,635) | (7,094) |
| Other assets and liabilities, net | (25,532) | 699 |
| Net cash provided by operating activities | <u>31,775</u> | <u>39,424</u> |
| Cash flows from investing activities: | | |
| Capital expenditures | (9,266) | (10,037) |
| Acquisition of business, net of cash acquired | (2,711) | — |
| Proceeds from dispositions of property and other assets | 2,549 | 564 |
| Net cash used in investing activities | <u>(9,428)</u> | <u>(9,473)</u> |
| Cash flows from financing activities: | | |
| Payments on debt and capital lease obligations | (727) | (16,017) |
| Proceeds from exercise of stock options | 801 | — |
| Net distributions from Viad Corp (accounting predecessor to MoneyGram International) (Note 14) | 35,560 | 12,203 |
| Net cash provided by (used in) financing activities | <u>35,634</u> | <u>(3,814)</u> |
| Net increase in cash and cash equivalents | 57,981 | 26,137 |
| Cash and cash equivalents, beginning of year | 61,286 | 40,147 |
| Cash and cash equivalents, end of period | <u>\$ 119,267</u> | <u>\$ 66,284</u> |
| Supplemental disclosure of cash flow information | | |
| Cash paid during the period for: | | |
| Income taxes | <u>\$ 8,647</u> | <u>\$ 7,591</u> |
| Interest | <u>\$ 2,284</u> | <u>\$ 1,613</u> |

See Notes to Consolidated Financial Statements.

¹ Amounts derived from the unaudited combined financial statements of “New” Viad.

VIAD CORP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1 – Basis of Preparation and Principles of Consolidation

Spin-off of MoneyGram International

On June 30, 2004, Viad Corp (“Viad” or the “Company”) separated its payment services business from its other businesses by means of a tax-free spin-off. To effect the separation, Travelers Express Company, Inc. became a subsidiary of MoneyGram International, Inc. (“MoneyGram”), a newly-formed, wholly-owned subsidiary of Viad, and Viad distributed all of the shares of MoneyGram common stock as a dividend on Viad common stock on the date of the spin-off. The continuing business of Viad consists of the businesses of convention show services, exhibit design and construction and travel and recreation services operations, as well as Viad’s centralized corporate functions located in Phoenix, Arizona.

Due to the relative significance of MoneyGram as compared to the remaining businesses of Viad, the transaction was accounted for as a reverse spin-off in accordance with Emerging Issues Task Force (“EITF”) Issue No. 02-11, “Accounting for Reverse Spin-offs.” Accordingly, MoneyGram was considered the divesting entity for accounting purposes and is the accounting successor to Viad with respect to the historical consolidated financial statements of Viad prior to the spin-off. Conversely, the remaining combined businesses of Viad (excluding MoneyGram) represent the entity which was “spun-off” from MoneyGram International (accounting successor to Viad Corp).

In connection with the completion of the spin-off, Viad Corp (accounting predecessor to MoneyGram International) repaid its commercial paper outstanding on June 30, 2004 of \$188.0 million and provided notice of redemption to the holders of its \$4.75 mandatorily redeemable preferred stock for which the Company irrevocably deposited \$24.0 million in a trust clearing account for the benefit of the holders of the preferred shares. Also in June 2004, Viad Corp (accounting predecessor to MoneyGram International) repurchased medium-term notes of \$31.9 million and subordinated debt of \$17.2 million (excluding tender premiums) pursuant to the completion of tender offers which commenced in May 2004. In April 2004, Viad Corp (accounting predecessor to MoneyGram International) retired industrial revenue bonds for \$9.0 million. Also in connection with the spin-off, Viad Corp’s (accounting predecessor to MoneyGram International) existing bank credit facilities were terminated on the date of the transaction and were replaced by Viad’s new credit facility providing availability of \$150 million (see Note 8). In the third quarter of 2004, Viad recorded an adjustment related to the spin-off transaction which resulted in an increase of \$2.7 million to “Other current liabilities” and a corresponding decrease to “Additional capital.”

In addition, at the annual Viad stockholder meeting in May 2004, Viad’s stockholders approved a one-for-four reverse stock split of the Company’s common stock whereby, upon completion of the MoneyGram spin-off, every four shares of Viad common stock held on June 30, 2004, became one share of Viad common stock. The accompanying consolidated financial statements reflect the effects of the one-for-four reverse stock split for all periods presented.

Basis of Presentation

The accompanying unaudited consolidated financial statements of Viad have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three and nine months ended September 30, 2004 are not necessarily indicative of the results that may be expected for the year ending December 31, 2004. Certain prior period amounts have been reclassified to conform to the current period presentation.

As a result of the spin-off transaction, Viad redefined its reportable segments to reflect a disaggregated presentation of the former “Convention and Event Services” segment and the inclusion of the businesses comprising Travel and Recreation Services as a reportable segment. Although Viad’s two convention and event services businesses continue to meet the aggregation criteria pursuant to Statement of Financial Accounting Standards (“SFAS”) No. 131, “Disclosures about Segments of an Enterprise and Related Information,” a disaggregated presentation of these businesses is considered appropriate due to their relative size and importance to Viad as a result of the spin-off. The Travel and Recreation Services businesses are included as a reportable segment for Viad as they meet the quantitative thresholds of SFAS No. 131. Therefore, Viad’s reporting segments consist of: GES Exposition Services, Inc. (“GES”), Exhibitgroup/Giltspur (“Exhibitgroup”) and Travel and Recreation Services.

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The consolidated financial statements include the accounts of Viad and all of its wholly-owned subsidiaries. All significant intercompany account balances and transactions between Viad and its subsidiaries have been eliminated in consolidation. In periods ended prior to the spin-off, the Company's financial statements reflect the combined financial position, results of operations and cash flows of the GES, Exhibitgroup and Travel and Recreation Services businesses, and centralized corporate functions of Viad, all of which were under common ownership and common management, as if it were a separate entity for all periods presented. The combined financial information for periods prior to the spin-off may not necessarily reflect the financial position, results of operations and cash flows of "New" Viad in the future or, had it operated as a separate, independent company, during the periods presented.

Note 2 – Stock-Based Compensation

In 1997, Viad's stockholders adopted the Viad Corp Omnibus Incentive Plan (the "Omnibus Plan"). The Omnibus Plan provides for the following types of awards to officers, directors and certain key employees: (a) incentive and nonqualified stock options; (b) stock appreciation rights; (c) restricted stock; and (d) performance-based awards. The number of shares of Viad common stock available for grant under the Omnibus Plan in each calendar year is limited to two percent of the total number of shares of common stock outstanding as of the first day of each year, provided that any shares available for grant in a particular year which are not, in fact, granted in such year shall be added to the shares available for grant in any subsequent calendar year.

Stock options granted in 2004 were for a term of seven years at an exercise price based on the market value at the date of grant and become exercisable in annual increments of twenty percent beginning one year after grant date and become fully exercisable after five years from the date of grant. Stock options granted since 1998 contain certain forfeiture and noncompete provisions.

As a result of the spin-off of MoneyGram, each option to purchase shares of Viad common stock was converted to consist of an adjusted option to purchase the same number of shares of Viad common stock and a new option to purchase the same number of shares of MoneyGram common stock. The exercise price and number of shares subject to the Viad and MoneyGram options were adjusted so that the two options had a combined intrinsic economic value equal to the intrinsic economic value of the Viad option before taking into account the effect of the distribution. The options will otherwise generally continue to be and become exercisable on substantially the same terms and conditions set forth in the Omnibus Plan and underlying option agreements.

As permitted by SFAS No. 123, "Accounting for Stock-Based Compensation," Viad uses the intrinsic value method of accounting for stock-based compensation awards prescribed by Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees" and related interpretations in accounting for its stock-based compensation plans. Assuming Viad had recognized compensation expense for stock options and performance-based stock awards in accordance with the fair value method of accounting defined in SFAS No. 123, net income (loss) and diluted and basic income (loss) per share for the three and nine months ended September 30 would be as presented in the table below. Compensation cost calculated under SFAS No. 123 is recognized ratably over the vesting period and is net of estimated forfeitures and tax effects.

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---------------------------------------|---------|------------------------------------|----------|
| | 2004 | 2003 | 2004 | 2003 |
| | (in thousands, except per share data) | | | |
| Net income (loss), as reported | \$(68,275) | \$1,947 | \$(51,534) | \$20,940 |
| Plus: stock-based employee compensation expense recorded under APB Opinion No. 25, net of tax | — | — | — | 220 |
| Less: stock-based employee compensation expense determined under fair value based method, net of tax | (93) | (395) | (566) | (1,162) |
| Pro forma net income (loss) | \$(68,368) | \$1,552 | \$(52,100) | \$19,998 |
| Diluted income (loss) per share: | | | | |
| As reported | \$ (3.14) | \$ 0.09 | \$ (2.37) | \$ 0.97 |
| Pro forma | \$ (3.14) | \$ 0.07 | \$ (2.40) | \$ 0.92 |
| Basic income (loss) per share: | | | | |
| As reported | \$ (3.14) | \$ 0.09 | \$ (2.37) | \$ 0.97 |
| Pro forma | \$ (3.14) | \$ 0.07 | \$ (2.40) | \$ 0.93 |



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For purposes of applying SFAS No. 123, the estimated fair value of stock options granted during 2004 and 2003 was \$6.91 and \$5.03 per share, respectively. The fair value of each stock option grant was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions:

| | 2004 | 2003 |
|-------------------------|---------|---------|
| Expected dividend yield | 0.7% | 1.8% |
| Expected volatility | 28.1% | 30.4% |
| Risk-free interest rate | 3.16% | 2.66% |
| Expected life | 5 years | 5 years |

Note 3 — Acquisition of Business

In May 2004, GES acquired a convention services contractor in Edmonton, Canada. The net purchase price of \$2.7 million was allocated to the net tangible and identifiable intangible assets and liabilities acquired based on the estimated fair values at the date of acquisition. The amount paid in excess of the estimated fair values was recorded to goodwill. In connection with the transaction, GES recorded goodwill of \$2.1 million, amortizable intangible assets of \$904,000 and other net liabilities of \$282,000 (including acquisition and assumed liabilities of \$1.1 million). The amount of goodwill expected to be deductible for tax purposes is not significant. The accompanying consolidated financial statements include the accounts and results of operations from the date of acquisition. The results of operations from the beginning of the year to the date of acquisition were not significant to Viad's consolidated results of operations.

Note 4 — Inventories

The components of inventories were as follows:

| | September 30, 2004 | December 31, 2003 |
|-----------------|-----------------------|----------------------|
| | (in thousands) | |
| Raw materials | \$20,169 | \$22,440 |
| Work in process | 11,757 | 13,328 |
| Inventories | \$31,926 | \$35,768 |

Note 5 — Property and Equipment

Property and equipment consisted of the following:

| | September 30, 2004 | December 31, 2003 |
|--------------------------------------|-----------------------|----------------------|
| | (in thousands) | |
| Land | \$ 23,015 | \$ 22,565 |
| Buildings and leasehold improvements | 77,268 | 75,088 |
| Equipment and other | 251,181 | 251,946 |
| | 351,464 | 349,599 |
| Accumulated depreciation | (200,957) | (194,019) |
| Property and equipment, net | \$ 150,507 | \$ 155,580 |

Depreciation expense for the three months ended September 30, 2004 and 2003 was \$5.3 million and \$6.3 million, respectively. For the nine months ended September 30, 2004 and 2003, depreciation expense was \$16.1 million and \$17.5 million, respectively.

Note 6 — Goodwill and Other Intangible Assets

The changes in the carrying amount of goodwill for the nine months ended September 30, 2004 were as follows:

| GES | Exhibitgroup | Travel and Recreation | Total |
|----------------|--------------|--------------------------|-------|
| (in thousands) | | | |

| | | | | |
|--|-------------------|-------------------|-------------------|-------------------|
| Balance at January 1, 2004 | \$146,701 | \$ 80,355 | \$29,631 | \$256,687 |
| Goodwill acquired | 2,089 | — | — | 2,089 |
| Goodwill impairment loss | — | (80,408) | — | (80,408) |
| Foreign currency translation adjustments | 380 | 53 | 1,870 | 2,303 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Balance at September 30, 2004 | \$149,170 | \$ — | \$31,501 | \$180,671 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

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In the third quarter of 2004, Exhibitgroup's results of operations were affected by a significant reduction in revenue from new exhibit construction resulting in a less profitable mix of business. Customer orders for new exhibit construction declined further than management anticipated and Exhibitgroup's full year financial forecast was reduced. As a result of these factors, Viad completed an interim impairment test of the goodwill and intangible trademark asset at Exhibitgroup. Based on this testing, Viad recorded impairment charges of \$80.4 million (\$76.6 million after-tax) and \$7.0 million (\$4.2 million after-tax) related to goodwill and the intangible trademark asset, respectively, on the consolidated statements of income under the caption "Goodwill and intangible asset impairment losses."

Viad uses a discounted expected future cash flow methodology in order to estimate the fair value of its reporting units and its intangible assets. The estimates and assumptions regarding expected future cash flows, terminal values and the discount rate require considerable judgment and are based on historical experience, financial forecasts and industry trends and conditions. These estimates, however, have inherent uncertainties and different assumptions could lead to materially different results.

A summary of other intangible assets at September 30, 2004 is presented below:

| | Gross Carrying Value | Accumulated Amortization | Net Carrying Value |
|--------------------------------|----------------------------|-----------------------------|--------------------------|
| (in thousands) | | | |
| Amortized intangible assets: | | | |
| Customer lists | \$1,348 | \$(573) | \$ 775 |
| Other | 311 | (212) | 99 |
| | <u>1,659</u> | <u>(785)</u> | <u>874</u> |
| Unamortized intangible assets: | | | |
| Trademark | 5,851 | — | 5,851 |
| Pension intangible assets | 988 | — | 988 |
| | <u>6,839</u> | <u>—</u> | <u>6,839</u> |
| Total | <u>\$8,498</u> | <u>\$(785)</u> | <u>\$7,713</u> |

A summary of other intangible assets at December 31, 2003 is presented below:

| | Gross Carrying Value | Accumulated Amortization | Net Carrying Value |
|--------------------------------|----------------------------|-----------------------------|--------------------------|
| (in thousands) | | | |
| Amortized intangible assets: | | | |
| Customer lists | \$ 503 | \$ (503) | \$ — |
| Other | 1,026 | (845) | 181 |
| | <u>1,529</u> | <u>(1,348)</u> | <u>181</u> |
| Unamortized intangible assets: | | | |
| Trademark | 12,851 | — | 12,851 |
| Pension intangible assets | 988 | — | 988 |
| | <u>13,839</u> | <u>—</u> | <u>13,839</u> |
| Total | <u>\$15,368</u> | <u>\$(1,348)</u> | <u>\$14,020</u> |

Intangible asset amortization expense for the three months ended September 30, 2004 and 2003 was \$60,000 and \$34,000, respectively. For the nine months ended September 30, 2004 and 2003, intangible asset amortization expense was \$116,000 and \$97,000, respectively. The weighted-average amortization period of amortized intangible assets is approximately five years. Estimated amortization expense related to the other intangible assets for the remainder of 2004 and the four succeeding years is expected to be as follows:

| | (in thousands) |
|------|----------------|
| 2004 | \$ 60 |
| 2005 | \$224 |
| 2006 | \$188 |

2007
2008

\$166
\$166

Note 7 — Accrued Liabilities and Other

Other current liabilities consisted of the following:

| | September 30, 2004 | December 31, 2003 |
|---------------------------------|-----------------------|----------------------|
| | (in thousands) | |
| Accrued income taxes | \$ 45,849 | \$ 45,279 |
| Customer deposits | 24,609 | 22,325 |
| Accrued compensation | 20,623 | 24,742 |
| Self-insured liability accrual | 5,087 | 6,946 |
| Accrued restructuring | 4,394 | 8,550 |
| Accrued dividends | 1,193 | — |
| Other | 24,013 | 29,184 |
| | <u> </u> | <u> </u> |
| Total other current liabilities | \$125,768 | \$137,026 |
| | <u> </u> | <u> </u> |

Other deferred items and insurance liabilities consisted of the following:

| | September 30, 2004 | December 31, 2003 |
|--|-----------------------|----------------------|
| | (in thousands) | |
| Self-insured liability accrual | \$30,876 | \$ 33,476 |
| Liabilities associated with previously sold operations | 26,701 | 27,863 |
| Accrued restructuring | 11,548 | 12,435 |
| Foreign deferred tax liability | 9,817 | 11,855 |
| Deferred gain on sale of property | 6,683 | 7,408 |
| Other | 12,288 | 13,171 |
| | <u> </u> | <u> </u> |
| Total other deferred items and insurance liabilities | \$97,913 | \$106,208 |
| | <u> </u> | <u> </u> |

Note 8 — Debt and Other Obligations

At September 30, 2004, Viad’s total debt of \$22.7 million consisted of a \$12.4 million borrowing under its revolving credit agreement, \$5.9 million of capital lease obligations and \$4.4 million of medium-term notes and subordinated debentures which remained outstanding following the completion of Viad’s debt tender offers in June 2004. In July 2004, Viad borrowed \$12.4 million under the revolving credit agreement to pay in full the Wachovia Bank ESOP loan and release Viad from its guarantee of the loan. This transaction did not result in a net change to the Company’s outstanding debt. At December 31, 2003, Viad’s total debt of \$50.1 million included debt obligations of \$20.1 million for which Viad would be the obligor subsequent to the spin-off of MoneyGram, and also included \$30.0 million of allocated general corporate debt of Viad which was based on the pro-rated level of debt to be assumed by both Viad and MoneyGram at the time of the spin-off.

Cash generated by MoneyGram during the six months ended June 30, 2004 was used to redeem the general corporate debt of Viad. Consequently, the net amount of general corporate debt allocated to Viad was reduced by \$25.6 million as of the time of the spin-off. The net reduction, which represented noncash transactions, was reflected as a reduction of debt and an increase to “Net investment of Viad Corp (accounting predecessor to MoneyGram International).”

In June 2004, Viad Corp (accounting predecessor to MoneyGram International) provided a notice of redemption to the holders of its \$4.75 mandatorily redeemable preferred stock. There were 234,983 shares of \$4.75 preferred stock outstanding on the notification date. Additionally, in June 2004, Viad irrevocably deposited \$24.0 million in a trust clearing account for the benefit of the holders of the preferred shares. The redemption amount of \$24.0 million represents the aggregate call price of \$101 per share and accrued but unpaid dividends. At the time of the deposit, all rights with respect to the preferred shares were terminated, except the right to receive cash for the redemption amount (including accrued dividends) at any time subsequent to the date of the deposit. As of September 30, 2004, Viad had a restricted cash balance and a corresponding preferred stock redemption liability of \$432,000 included in the consolidated balance sheets under the captions “Other current assets” and “Other current liabilities,” respectively.

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Effective June 30, 2004, Viad entered into a \$150 million secured revolving credit agreement with eight lenders. The term of the credit facility is three years (expiring on June 30, 2007) and borrowings are to be used for general corporate purposes (including permitted acquisitions) and to support up to \$75 million of letters of credit. The lenders have a first perfected security interest in all of the personal property of Viad and GES, including 65 percent of the capital stock of top-tier foreign subsidiaries. GES is a guarantor of the facility. Borrowings under the facility are indexed to the prime rate or the London Interbank Offering Rate, plus appropriate spreads tied to Viad's leverage ratio. Commitment fees and letters of credit fees are also tied to Viad's leverage ratio. At September 30, 2004, Viad had \$12.4 million outstanding under the revolving credit agreement which was used to pay in full the Wachovia Bank ESOP loan as previously discussed. With the termination of Viad's previous credit facilities upon the MoneyGram spin-off, \$9.5 million of letters of credit automatically transitioned to the new \$150 million credit agreement. Financial covenants include a minimum consolidated net worth requirement; a fixed-charge coverage ratio and a leverage ratio. Significant other covenants include limitations on investments, common stock dividends, stock repurchases, additional indebtedness, sales/leases of assets, acquisitions, consolidations or mergers, liens on property, capital expenditures and operating leases. At September 30, 2004, Viad was in compliance with all covenants.

At September 30, 2004, Viad had certain obligations under guarantees to third parties on behalf of its subsidiaries. These guarantees are not subject to liability recognition in the consolidated financial statements and primarily relate to facilities and equipment leases entered into by the Company's subsidiary operations. Viad would generally be required to make payments to the respective third parties under these guarantees in the event that the related subsidiary could not meet its own payment obligations. The maximum potential amount of future payments that Viad would be required to make under all guarantees existing at September 30, 2004 was \$33.3 million. There are no recourse provisions that would enable Viad to recover from third parties any payments made under the guarantees. Furthermore, there are no collateral or similar arrangements whereby Viad could recover payments.

Note 9 — Income Taxes

A reconciliation of the income tax expense on income (loss) before income taxes and the amount that would be computed using statutory federal income tax rates for the nine months ended September 30 is as follows:

| | 2004 | | 2003 | |
|--|----------------|---------|----------|--------|
| | (in thousands) | | | |
| Computed income tax expense (benefit) at statutory federal income tax rate | \$(14,679) | 35.0% | \$13,034 | 35.0% |
| State income taxes | (963) | 2.3% | 2,587 | 6.9% |
| Goodwill and intangible asset impairment losses | 24,810 | (59.2%) | — | 0.0% |
| Other, net | 79 | (0.2%) | 2,113 | 5.7% |
| | 9,247 | (22.1%) | 17,734 | 47.6% |
| Adjustment to estimated annual effective rate (1) | 347 | (0.8%) | (1,435) | (3.8%) |
| Income tax expense | \$ 9,594 | (22.9%) | \$16,299 | 43.8% |

(1) APB Opinion No. 28, "Interim Financial Reporting," requires that income taxes be recorded based on the estimated effective tax rate expected to be applicable for the entire fiscal year.

Included in "State income taxes" above is \$2.4 million of net favorable income tax settlements and adjustments recorded during the three months ended September 30, 2004.

Note 10 — Pension and Other Postretirement Plans

The net periodic costs for defined benefit pension plans and other postretirement benefit plans for the three months ended September 30 include the following components:

| | Pension Benefits | | Other Postretirement Benefits | |
|------------------------------------|------------------|--------|-------------------------------|--------|
| | 2004 | 2003 | 2004 | 2003 |
| | (in thousands) | | | |
| Service cost | \$ 119 | \$ 16 | \$ 8 | \$ 26 |
| Interest cost | 286 | 285 | 290 | 615 |
| Expected return on plan assets | (235) | (255) | (94) | (37) |
| Amortization of prior service cost | 52 | 52 | (226) | (168) |
| Recognized net actuarial loss | 74 | 44 | 52 | 298 |
| Net periodic cost | \$ 296 | \$ 142 | \$ 30 | \$ 734 |



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The net periodic costs for defined benefit pension plans and other postretirement benefit plans for the nine months ended September 30 include the following components:

| | Pension Benefits | | Other Postretirement Benefits | |
|------------------------------------|------------------|--------|-------------------------------|---------|
| | 2004 | 2003 | 2004 | 2003 |
| | (in thousands) | | | |
| Service cost | \$ 155 | \$ 45 | \$ 68 | \$ 76 |
| Interest cost | 867 | 892 | 1,396 | 1,846 |
| Expected return on plan assets | (706) | (782) | (249) | (111) |
| Amortization of prior service cost | 155 | 155 | (562) | (503) |
| Recognized net actuarial loss | 224 | 129 | 620 | 896 |
| Net periodic cost | \$ 695 | \$ 439 | \$1,273 | \$2,204 |

Viad is expected to contribute approximately \$500,000 to its unfunded pension plans and approximately \$2.5 million to its other postretirement benefit plans in 2004. Viad is not required to contribute to its funded pension plans in 2004. As of September 30, 2004, Viad has contributed \$377,000 to its unfunded pension plans and \$1.9 million to its other postretirement benefit plans.

In May 2004, the Financial Accounting Standards Board (“FASB”) issued FASB Staff Position (“FSP”) FAS 106-2 on the accounting for the effects of the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the “Act”), which was enacted into law on December 8, 2003, and which provides a federal subsidy to employers that sponsor postretirement health care plans that provide certain prescription drug benefits to the extent such benefits are deemed “actuarially equivalent” to Medicare Part D. The Company made a one-time election, under the previously issued FSP FAS 106-1, to defer recognition of the effects of the Act until further authoritative guidance was issued. With FSP FAS 106-2, which superceded FSP FAS 106-1, specific guidance was provided in accounting for the subsidy, effective for the first reporting period beginning after June 15, 2004. The Company adopted FSP FAS 106-2 on July 1, 2004 using the prospective method. The effects of the Act decreased Viad’s accumulated postretirement benefit obligation by \$4.6 million. This decrease is treated as an actuarial experience gain, which will be amortized to expense through a decrease in the amortization of the unrecognized net actuarial loss.

The effect of the Act decreased net periodic postretirement benefit cost for the three months ended September 30, 2004 by \$176,000. The components of this savings were the reduction in the amortization of the unrecognized net loss of \$102,000, the reduction in interest cost of \$72,000, and the reduction in current service cost of \$2,000.

Note 11 — Income Per Share

A reconciliation of the numerators and denominators of diluted and basic per share computations for net income (loss) is as follows:

| | Three months ended September 30, | | Nine months ended September 30, | |
|--|---------------------------------------|----------|------------------------------------|----------|
| | 2004 | 2003 | 2004 | 2003 |
| | (in thousands, except per share data) | | | |
| Net income (loss) | \$(68,275) | \$ 1,947 | \$(51,534) | \$20,940 |
| Average outstanding common shares | 21,767 | 21,568 | 21,726 | 21,542 |
| Additional dilutive shares related to stock-based compensation | — | 112 | — | 89 |
| Average outstanding and potentially dilutive common shares | 21,767 | 21,680 | 21,726 | 21,631 |
| Diluted income (loss) per share | \$ (3.14) | \$ 0.09 | \$ (2.37) | \$ 0.97 |
| Basic income (loss) per share | \$ (3.14) | \$ 0.09 | \$ (2.37) | \$ 0.97 |

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Options to purchase 685,000 and 786,000 shares of common stock were outstanding at September 30, 2004 and 2003, respectively, but were not included in the computation of diluted income per share because the effect would be anti-dilutive. Additionally, options to purchase 105,000 and 108,000 shares of common stock for the three and nine months ended September 30, 2004, respectively, that would normally have been considered dilutive and thus included as outstanding for purposes of computing diluted income per share were excluded due to net losses reported in those periods, thereby making such shares anti-dilutive.

Note 12 — Restructuring Charges and Recoveries

In the second quarter of 2004, Viad recorded restructuring charges of \$853,000 primarily related to planned employee reductions as a result of the MoneyGram spin-off. At September 30, 2004, \$502,000 of this balance was unpaid and was included in the consolidated balance sheets under the caption “Accrued restructuring.” Viad recorded an additional charge of \$850,000 in the third quarter 2004 as a result of the consolidation of certain leased office space at its corporate headquarters. This entire balance was unpaid at September 30, 2004 and was included in the consolidated balance sheets under the caption “Other current liabilities.”

In the fourth quarter of 2002, Viad approved a restructuring plan related to the Exhibitgroup segment and recorded a charge totaling \$20.5 million. The charge consisted of costs associated with the closure and consolidation of certain facilities, severance and other employee benefits and included a provision for the write-down (net of estimated proceeds) of certain inventories and fixed assets, facility closure and lease termination costs (less estimated sublease income) and other exit costs. At September 30, 2004, there was a remaining liability of \$3.4 million, of which \$1.6 million and \$1.8 million were included in the consolidated balance sheets under the caption “Other current liabilities” and “Other deferred items and insurance liabilities,” respectively. Viad had completed the restructuring activities by December 31, 2003. However, payments due under the long-term lease obligations will continue to be made over the remaining terms of the lease agreements. Additionally, payments of severance and benefits will continue to be made over the varying terms of the individual separation agreements.

A summary of the change in the 2002 restructuring charge liability balance at September 30, 2004 is as follows:

| | Severance and Benefits | Facility Closure and Lease Termination | Total |
|-------------------------------|---------------------------|--|----------|
| | | | |
| | | (in thousands) | |
| Balance at January 1, 2004 | \$1,164 | \$ 6,132 | \$ 7,296 |
| Cash payments | (490) | (3,453) | (3,943) |
| Balance at September 30, 2004 | \$ 674 | \$ 2,679 | \$ 3,353 |

In the third quarter of 2001, Viad approved a plan of restructuring and recorded a charge totaling \$65.1 million related to the GES and Exhibitgroup segments. Of the total charge, \$13.6 million related to the GES segment, \$47.9 million related to the Exhibitgroup segment and \$3.6 million related to corporate activities. The restructuring charge was associated with the closure and consolidation of certain facilities, severance and other employee benefits. All facilities were closed or consolidated and all positions eliminated as of December 31, 2002. In the second and third quarters of 2003, \$1.3 million and \$200,000, respectively, of the reserve was reversed as certain costs originally anticipated in the restructuring plan were ultimately not expected to be incurred. At September 30, 2004, there was a remaining liability of \$12.0 million, of which \$2.3 million and \$9.7 million were included in the consolidated balance sheets under the caption “Other current liabilities” and “Other deferred items and insurance liabilities,” respectively. Payments due under the long-term lease obligations will continue to be made over the remaining terms of the lease agreements.

A summary of the change in the 2001 restructuring charge liability balance at September 30, 2004 is as follows:

| | Severance and Benefits | Facility Closure and Lease Termination | Total |
|-------------------------------|---------------------------|--|----------|
| | | | |
| | | (in thousands) | |
| Balance at January 1, 2004 | \$ 276 | \$13,413 | \$13,689 |
| Cash payments | (276) | (2,174) | (2,450) |
| Noncash adjustment | — | 739 | 739 |
| Balance at September 30, 2004 | \$ — | \$11,978 | \$11,978 |

Note 13 – Litigation, Claims and Other Contingencies

Viad and certain of its subsidiaries are plaintiffs or defendants to various actions, proceedings and pending claims that arise in the ordinary course of business. Certain of these pending legal actions are, or purport to be, class actions. Some of the foregoing involve, or may involve, compensatory, punitive or other damages. Litigation is subject to many uncertainties and it is possible that some of the legal actions, proceedings or claims could be decided against Viad. Although the amount of liability as of September 30, 2004, with respect to certain of these matters is not ascertainable, the Company believes that any resulting liability, after taking into consideration amounts already provided for, would not have a material effect on Viad's business, financial condition or results of operations.

Viad is subject to various environmental laws and regulations of the United States as well as of the states and other countries in whose jurisdictions Viad has or had operations and is subject to certain international agreements. If Viad fails or has failed to comply with these environmental laws and regulations, civil and criminal penalties could be imposed and Viad could become subject to regulatory enforcement actions in the form of injunctions and cease and desist orders. As is the case with many companies, Viad faces exposure to actual or potential claims and lawsuits involving environmental matters. Although Viad is a party to certain environmental disputes, the Company believes that any liabilities resulting from these disputes, after taking into consideration amounts already provided for, exclusive of any potential insurance recoveries, will not have a material effect on Viad's business, financial condition or results of operations.

Note 14 – Related Party Transactions

Prior to the spin-off transaction, distributions from Viad Corp (accounting predecessor to MoneyGram International) primarily represented cash transfers to "New" Viad in order to fund working capital requirements and for general corporate purposes. Distributions to Viad Corp (accounting predecessor to MoneyGram International) primarily represented cash payments to fund stockholder dividends, common stock repurchases, interest and principal payments on general corporate debt obligations and certain capital contributions associated with MoneyGram. The net distributions from Viad Corp (accounting predecessor to MoneyGram International) were \$35.6 million and \$12.2 million for the nine months ended September 30, 2004 and 2003, respectively.

As of June 30, 2004, Viad had recorded a receivable from MoneyGram of \$7.1 million representing spin-off related costs such as legal and administrative costs and other costs primarily related to insurance and employee benefit programs. These costs were incurred by Viad on behalf of MoneyGram prior to the spin-off transaction. During the three months ended September 30, 2004, Viad received aggregate cash payments of \$7.0 million from MoneyGram related to these costs.

Also during the three months ended September 30, 2004, Viad received aggregate payments from MoneyGram of \$445,000 related to third quarter insurance and employee benefit related costs and \$410,000 related to certain administrative services provided to MoneyGram pursuant to the Interim Services Agreement dated June 30, 2004. As of September 30, 2004, Viad had recorded a receivable from MoneyGram of \$267,000 representing insurance and employee benefit related costs which is included in the consolidated balance sheets under the caption "Accounts receivable."

Note 15 – Segment Information

Viad measures profit and performance of its operations on the basis of operating income before restructuring charges and other items. Intersegment sales are eliminated in consolidation and intersegment transfers are not significant. Corporate activities include expenses not allocated to operations. Depreciation and amortization are the only significant noncash items for the reportable segments. Disclosures regarding Viad’s three reportable segments (GES, Exhibitgroup and Travel and Recreation Services) along with reconciliations to consolidated totals for the three and nine months ended September 30 are as follows:

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|-------------------------------------|----------------------|------------------------------------|------------------|
| | 2004 | 2003 | 2004 | 2003 |
| | (in thousands) | | | |
| Revenues: | | | | |
| GES | \$140,745 | \$ 96,332 | \$441,700 | \$411,592 |
| Exhibitgroup | 38,129 | 36,033 | 130,834 | 166,726 |
| Travel and Recreation Services | 39,707 | 32,703 | 60,980 | 48,278 |
| | <u>\$218,581</u> | <u>\$165,068</u> | <u>\$633,514</u> | <u>\$626,596</u> |
| Segment operating income: | | | | |
| GES | \$ 11,554 | \$ 1,215 | \$ 46,225 | \$ 42,356 |
| Exhibitgroup | (4,947) | (3,515) | (7,880) | (3,340) |
| Travel and Recreation Services | 16,922 | 11,120 | 20,268 | 12,002 |
| | <u>23,529</u> | <u>8,820</u> | <u>58,613</u> | <u>51,018</u> |
| Corporate activities and minority interests | (4,085) | (5,596) | (10,442) | (12,626) |
| | <u>19,444</u> | <u>3,224</u> | <u>48,171</u> | <u>38,392</u> |
| Other investment income | 382 | 41 | 734 | 272 |
| Interest expense | (776) | (336) | (1,734) | (2,901) |
| Restructuring recoveries (charges) | (850) | 200 | (1,703) | 1,476 |
| Goodwill and intangible asset impairment losses | (87,408) | — | (87,408) | — |
| Income (loss) before income taxes | <u>\$(69,208)</u> | <u>\$ 3,129</u> | <u>\$(41,940)</u> | <u>\$ 37,239</u> |
| | September 30, 2004 | December 31, 2003 | | |
| | (in thousands) | | | |
| Assets: | | | | |
| GES | \$265,349 | \$251,146 | | |
| Exhibitgroup | 78,754 | 161,263 | | |
| Travel and Recreation Services | 122,444 | 125,930 | | |
| Corporate and other | 194,524 | 143,543 | | |
| | <u>\$661,071</u> | <u>\$681,882</u> | | |

Note 16 – Recent Accounting Pronouncements

In May 2004, the FASB issued FSP FAS 106-2 on the accounting for the effects of the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the “Act”), which was enacted into law on December 8, 2003, and which provides a federal subsidy to employers that sponsor postretirement health care plans that provide certain prescription drug benefits to the extent such benefits are deemed “actuarially equivalent” to Medicare Part D. The Company made a one-time election, under the previously issued FSP FAS 106-1, to defer recognition of the effects of the Act until further authoritative guidance was issued. With FSP FAS 106-2, which superceded FSP FAS 106-1, specific guidance was provided in accounting for the subsidy, effective for the first reporting period beginning after June 15, 2004. The Company adopted FSP FAS 106-2 on July 1, 2004 using the prospective method. Refer to Note 10 for the effects of the Act on Viad’s financial position and results of operations.



Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion should be read in conjunction with Viad Corp’s consolidated financial statements and related notes. This discussion contains forward-looking statements that involve risks and uncertainties. Viad Corp’s actual results could differ materially from those anticipated due to various factors discussed under “Forward-Looking Statements” and elsewhere in this quarterly report.

Overview:

On June 30, 2004, Viad Corp (“Viad” or the “Company”) separated its payment services business from its other businesses by means of a tax-free spin-off. To effect the separation, Travelers Express Company, Inc. became a subsidiary of MoneyGram International, Inc. (“MoneyGram”), a newly-formed, wholly-owned subsidiary of Viad, and Viad distributed all of the shares of MoneyGram common stock as a dividend on Viad common stock on the date of the spin-off. The continuing business of Viad consists of the businesses of convention show services, exhibit design and construction and travel and recreation services operations as well as Viad’s centralized corporate functions located in Phoenix, Arizona.

Due to the relative significance of MoneyGram as compared to the remaining businesses of Viad, the transaction was accounted for as a reverse spin-off in accordance with Emerging Issues Task Force (“EITF”) Issue No. 02-11, “Accounting for Reverse Spin-offs.” Accordingly, MoneyGram was considered the divesting entity for accounting purposes and is the accounting successor to Viad with respect to the historical consolidated financial statements of Viad prior to the spin-off. Conversely, the remaining combined businesses of Viad (excluding MoneyGram) represent the entity which was “spun-off” from MoneyGram International (accounting successor to Viad Corp).

In connection with the completion of the spin-off, Viad Corp (accounting predecessor to MoneyGram International) repaid its commercial paper outstanding on June 30, 2004 of \$188.0 million and provided notice of redemption to the holders of its \$4.75 mandatorily redeemable preferred stock for which the Company irrevocably deposited \$24.0 million in a trust clearing account for the benefit of the holders of the preferred shares. At September 30, 2004, the amount of restricted cash and the preferred stock redemption liability were \$432,000. Also, in June 2004, Viad Corp (accounting predecessor to MoneyGram International) repurchased medium-term notes of \$31.9 million and subordinated debt of \$17.2 million (excluding tender premiums) in connection with the completion of tender offers which commenced in May 2004. In April 2004, Viad Corp (accounting predecessor to MoneyGram International) retired industrial revenue bonds for \$9.0 million. Also in connection with the spin-off, Viad Corp’s (accounting predecessor to MoneyGram International) existing bank credit facilities were terminated on the date of the transaction and were replaced by Viad’s new credit facility providing availability of \$150 million.

In addition, at the annual Viad stockholder meeting in May 2004, Viad stockholders approved a one-for-four reverse stock split of the Company’s common stock whereby, upon completion of the MoneyGram spin-off, every four shares of Viad common stock held on June 30, 2004, became one share of Viad common stock. The accompanying consolidated financial statements reflect the effects of the one-for-four reverse stock split for all periods presented.

As a result of the spin-off, Viad redefined its reportable segments to reflect a disaggregated presentation of the former “Convention and Event Services” segment and the inclusion of the businesses comprising Travel and Recreation Services as a reportable segment. Accordingly, Viad operates in three reportable business segments as follows:

GES — GES Exposition Services, Inc. (“GES”) provides convention and tradeshow services throughout North America, such as freight handling, transportation, installation, dismantling and management services to trade associations and tradeshow management companies and exhibitors. GES also provides certain exhibit design and construction services.

Exhibitgroup — Exhibitgroup/Giltspur (“Exhibitgroup”) specializes in the large-to-small scale design, construction, installation and warehousing of convention and tradeshow exhibits and displays, primarily for corporate customers in North America, and to a lesser extent in Europe. Exhibitgroup also provides tradeshow services to its corporate customers.

Travel and Recreation Services — Brewster Transport Company Limited (“Brewster”) is a major tourism service operator in Western Canada offering world-class attractions, motorcoach services, charter and sightseeing services, hotel operations, inbound package tour operations and travel agencies. Glacier Park, Inc. (“Glacier Park”) operates four historic lodges and three 1960’s-era motor inns in and around Glacier National Park in Montana and Waterton Lakes National Park in Alberta, Canada.

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The following are financial highlights of the third quarter of 2004 as compared to the third quarter of 2003 that are presented in accordance with accounting principles generally accepted in the United States of America (“GAAP”):

Viad Corp (Consolidated)

- Total revenues of \$218.6 million, a 32.4 percent increase from 2003
- Net loss of \$68.3 million versus net income of \$1.9 million in 2003
- Diluted loss per share of \$3.14 versus income per share of \$0.09 in 2003
- Goodwill and intangible asset impairment losses of \$80.4 million (\$76.6 million after-tax) and \$7.0 million (\$4.2 million after-tax) , respectively, were recorded in the third quarter of 2004 related to Exhibitgroup
- A restructuring charge of \$850,000 (\$530,000 after-tax) was recorded in the third quarter of 2004 related to the consolidation of leased office space
- A \$2.4 million tax benefit was recorded in the third quarter of 2004 related to net favorable income tax settlements and adjustments
- Cash and cash equivalents were \$119.3 million as of September 30, 2004

GES

- Revenues of \$140.7 million, an increase of 46.1 percent
- Segment operating income of \$11.6 million compared to \$1.2 million in 2003

Exhibitgroup

- Revenues of \$38.1 million, an increase of 5.8 percent
- Segment operating loss of \$4.9 million compared to a loss of \$3.5 million in 2003

Travel and Recreation Services

- Revenues of \$39.7 million, an increase of 21.4 percent
- Segment operating income of \$16.9 million, an increase of 52.2 percent

Non-GAAP Measures:

The following discussion includes a presentation of Adjusted EBITDA and Income before impairment losses, which are utilized by management to measure the profit and performance of Viad’s operations and to facilitate period to period comparisons. “Adjusted EBITDA” is defined by Viad as net income before interest expense, income taxes, depreciation and amortization, goodwill and intangible asset impairments and changes in accounting principles. Adjusted EBITDA is considered a useful operating metric as potential variations arising from taxes, depreciation, debt service costs, goodwill and intangible asset impairments and changes in accounting principles are eliminated, thus resulting in an additional measure considered to be indicative of Viad’s ongoing operations. Adjusted EBITDA is also used by management to assess Viad’s ability to service debt, fund capital expenditures and finance growth. “Income before impairment losses” is defined by Viad as net income before the after-tax effect of impairment charges related to goodwill and intangible assets. Income before impairment losses is utilized by management to review operating results of the business without the effects of noncash impairments. The presentation of Adjusted EBITDA and Income before impairment losses is supplemental to results presented under GAAP and may not be comparable to similarly titled measures used by other companies. These non-GAAP measures should be considered in addition to, but not a substitute for, other measures of financial performance and liquidity reported in accordance with GAAP.

Management believes that the presentation of Adjusted EBITDA and Income before impairment losses provides useful information to investors regarding Viad’s results of operations because it is useful for trending, analyzing and benchmarking the performance and value of Viad’s business. Management uses Adjusted EBITDA and Income before impairment losses primarily as performance measures and believes that the GAAP financial measure most directly comparable to these non-GAAP measures is net income. Although Adjusted EBITDA is used as a financial measure to assess the performance of the business, the use of Adjusted EBITDA is limited because it does not consider material costs, expenses and other items necessary to operate the business. These items include debt service costs, noncash depreciation and amortization expense associated with long-lived assets, expenses related to federal and state income taxes, noncash goodwill and intangible asset impairments and the effects of accounting changes. Similarly, although Income before impairment losses is used as a financial measure to

assess the performance of the business, its use is limited because it does not consider noncash goodwill and intangible asset impairment losses. Because Adjusted EBITDA and Income before impairment losses do not consider the above items, a user of Viad's financial information should consider net income an important measure of financial performance because it provides a more complete measure of the Company's performance.

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A reconciliation of Adjusted EBITDA to net income (loss) is as follows:

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---------------------------------------|-----------------|------------------------------------|------------------|
| | 2004 | 2003 | 2004 | 2003 |
| | (in thousands, except per share data) | | | |
| Adjusted EBITDA | \$ 24,374 | \$ 9,831 | \$ 63,397 | \$ 57,744 |
| Goodwill and intangible asset impairment losses | (87,408) | — | (87,408) | — |
| Interest expense | (776) | (336) | (1,734) | (2,901) |
| Income tax (expense) benefit | 933 | (1,182) | (9,594) | (16,299) |
| Depreciation and amortization | (5,398) | (6,366) | (16,195) | (17,604) |
| Net income (loss) | <u>\$(68,275)</u> | <u>\$ 1,947</u> | <u>\$(51,534)</u> | <u>\$ 20,940</u> |

The increase in Adjusted EBITDA of \$14.5 million from the third quarter of 2003 versus the third quarter of 2004 was driven by higher revenue and operating income at GES and the Travel and Recreation Services segment and by lower corporate overhead costs. Partially offsetting this was lower operating income at Exhibitgroup and unfavorable restructuring charges. The increase in Adjusted EBITDA of \$5.7 million from the nine months ended September 30, 2003 versus the nine months ended September 30, 2004 was primarily due to the same factors. See “Results of Operations” below for further discussion.

A reconciliation of income before impairment losses to net income (loss) is as follows:

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---------------------------------------|-----------------|------------------------------------|------------------|
| | 2004 | 2003 | 2004 | 2003 |
| | (in thousands, except per share data) | | | |
| Income before impairment losses | \$ 12,556 | \$ 1,947 | \$ 29,297 | \$ 20,940 |
| Goodwill and intangible asset impairment losses, net of tax | (80,831) | — | (80,831) | — |
| Net income (loss) | <u>\$(68,275)</u> | <u>\$ 1,947</u> | <u>\$(51,534)</u> | <u>\$ 20,940</u> |

See “Results of Operations” below for a discussion of goodwill and intangible asset impairment losses.

Results of Operations

Comparison of Third Quarter of 2004 to the Third Quarter of 2003

In the third quarter of 2004, revenues increased 32.4 percent to \$218.6 million from \$165.1 million in the third quarter of 2003. Show rotation had a positive impact on revenue for both GES and Exhibitgroup, and the Travel and Recreation Services segment showed strong revenue growth. Viad recorded a loss before income taxes of \$69.2 million for the third quarter of 2004 compared with income of \$3.1 million for the third quarter of 2003. The net loss for the third quarter of 2004 was \$68.3 million, or \$3.14 per share, compared to net income of \$1.9 million, or \$0.09 per share, for the third quarter of 2003. Excluding the goodwill and intangible asset impairment losses recorded in the third quarter of 2004, income before impairment losses (see “Non-GAAP Measures” above) was \$12.6 million (or \$0.57 per share) versus \$1.9 million (\$0.09 per share) in 2003. The increase was primarily driven by improved operating income at GES and in the Travel and Recreation Services Segment as well as favorable corporate overhead costs. In addition, in the third quarter of 2004, Viad recorded a \$2.4 million tax benefit related to net favorable income tax settlements and adjustments. The increase in income before impairment losses was partially offset by the third quarter 2004 restructuring charge of \$850,000 (\$530,000 after-tax) primarily related to the consolidation of leased office space.

GES. Revenues for GES were \$140.7 million for the third quarter of 2004, an increase of 46.1 percent compared to \$96.3 million in the 2003 third quarter. GES benefited heavily from favorable show rotation in the third quarter of 2004 by servicing such shows as International Baking Industry Expo and MINExpo International (both held in Las Vegas), International Woodworking Machinery & Furniture Supply Fair in Atlanta and International Manufacturing Technology Show in Chicago. These shows do not occur every year. In addition, during the third quarter of 2004, GES served as a general services contractor to the Democratic National Convention in Boston.

Segment operating income was \$11.6 million in the third quarter of 2004, up from \$1.2 million in the third quarter of 2003. Operating margins increased to 8.2 percent in 2004 from 1.3 percent in 2003. The increases in operating income and margins were

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primarily driven by the increase in revenue due to the show rotation described above as well as by the reduction of certain performance-based incentive accruals. In addition, GES experienced slight same-show revenue growth and increased revenues in the new GES Products and Services division, which targets discretionary services provided to exhibitors.

GES and Exhibitgroup are subject to multiple collective bargaining agreements that affect labor costs, several of which were up for renewal in the third quarter of 2004. During the third quarter of 2004, GES experienced a ten day work stoppage in Las Vegas by the Teamsters Union. While GES was able to continue servicing its clients, it was estimated that GES incurred direct costs of approximately \$1.3 million, mainly related to security, thereby negatively impacting third quarter 2004 operating results. Other labor contracts have expired in Atlanta and Orlando. Work has continued and GES and its labor unions are negotiating to secure fair settlements and avoid any further work stoppages. However, there can be no assurance that GES will be successful in preventing any further labor actions and any work stoppages by the unions could adversely affect future results of operations. Additionally, show rotation into certain markets in 2005 is expected to increase the need for labor above the supply in those local markets. GES is working with its labor unions to meet the necessary labor requirements in these markets. However, any continued shortages could adversely affect future revenues and operating income.

Although GES's business has a diversified customer base, revenue growth is dependent upon, among other things, show rotation, general economic conditions and levels of exhibitor spending. In general, the tradeshow industry is experiencing signs of slight to modest growth in terms of square footage and number of exhibitors. However, shows in industries such as technology continue to struggle, as evidenced by a number of cancellations for shows which were expected to occur in 2004. Although the tradeshow environment appears to have stabilized, GES is experiencing significant pressure on material handling revenue as exhibitors are using lighter exhibits and bringing fewer products to the tradeshow floor. Material handling revenue is a key driver in the general services contractor business model. If this trend continues, future operating margins may be negatively affected. The third quarter operating results were also impacted by severe hurricane activity in the Southeast, the effects of which are not fully quantifiable. In addition, during the third quarter 2004, GES experienced increased costs for petroleum based commodities such as carpet, plastics and fuel. To date, GES has not been able to fully reflect these cost increases in its pricing structure to customers resulting in increased pressure on margins. Management believes that further improvements in the economy and corporate earnings could lead to increased tradeshow spending. However, in response to lower material handling revenue and increased labor and other costs, management continues to emphasize cost containment, productivity improvements and revenue growth through greater market penetration into exhibitor discretionary spending.

Exhibitgroup . Revenues for Exhibitgroup were \$38.1 million, up 5.8 percent in the third quarter of 2004 from \$36.0 million in the third quarter of 2003. The increase in revenue was driven by show rotation as Exhibitgroup serviced the European Air Show which was held in Farnborough, U.K. during the third quarter of 2004 and provided approximately \$10 million in revenue. This increase was substantially offset by a significant decline in new exhibit construction revenue as customers continue to reuse or refurbish their existing exhibits rather than construct new exhibits. Furthermore, management believes the sales cycle has continued to lengthen as spending on new construction has not materialized to date despite recent proposal wins.

Segment operating loss was \$4.9 million in the 2004 quarter compared to a loss of \$3.5 million in the 2003 quarter. The substantial decline in new exhibit construction has resulted in a less profitable mix of business. Construction revenues accounted for only 15 to 20 percent of Exhibitgroup's total revenues in the third quarter compared to 25 to 30 percent earlier in 2004 and compared to historical norms of 40 to 45 percent. This change in the revenue mix has contributed to lower margins and operating losses despite cost control efforts. Margins on construction revenue are roughly twice that of show services provided by Exhibitgroup. Management believes industry conditions will remain highly competitive in the near term, leading to lower revenue year over year in the fourth quarter. Management remains focused on cost control, productivity enhancements, customer service improvements and innovative pricing strategies in order to preserve and increase operating margins over the longer-term.

Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Other Intangible Assets," requires companies to test goodwill and certain intangible assets for impairment on an annual basis. Impairment testing is also required between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. During the third quarter 2004, Exhibitgroup's operating results were affected by a significant reduction in revenue from new exhibit construction that caused management to reduce its outlook for the full year. Customer orders for new exhibit construction have declined even further than management anticipated, resulting in a less profitable mix of business. Visibility in the segment remains poor and management is not able to determine when an increase in new exhibit orders

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will materialize or when the mix of business will improve. As a result of this potential impairment indicator, Viad performed interim goodwill and intangible asset impairment tests for the Exhibitgroup reporting unit. Based on this interim testing, management concluded that a goodwill impairment loss was necessary and that a trademark intangible impairment loss was probable. Accordingly, Viad recorded a charge of \$80.4 million (\$76.6 million after-tax), representing the entire carrying amount of Exhibitgroup's goodwill, and a charge of \$7.0 million (\$4.2 million after-tax) representing management's preliminary estimate of the trademark's impairment (resulting in a remaining trademark book value of \$5.9 million). Management intends to finalize the valuation of the trademark during the fourth quarter of 2004.

Viad uses a discounted expected future cash flow methodology in order to estimate the fair value of its reporting units and its intangible assets. The estimates and assumptions regarding expected future cash flows, terminal values and the discount rate require considerable judgment and are based on historical experience, financial forecasts and industry trends and conditions. These estimates, however, have inherent uncertainties, and different assumptions could lead to materially different results.

Travel and Recreation Services . Revenues of the travel and recreation services businesses were \$39.7 million, an increase of 21.4 percent from \$32.7 million in the third quarter of 2003. Segment operating income was \$16.9 million for the third quarter of 2004, an increase of 52.2 percent from \$11.1 million in the same quarter of 2003. In 2003, revenues and operating income in this segment were reduced by lower visitation rates primarily caused by instability abroad, the outbreak of certain health issues and Air Canada's financial difficulties. Overall business activity in the third quarter of 2004 recovered with strong increases in revenues and operating income reflecting improved visitation rates at Brewster, especially from the Far East. As compared to the third quarter of 2003, passenger volumes were up more than 18 percent for Brewster's Ice Explorer Tours going to the Columbia Icefield, and up more than 11 percent for the Banff Gondola, which takes passengers to the summit of Sulphur Mountain.

Glacier Park approximated 23 percent of the Travel and Recreation Services segment's full year 2003 operating income and its season is primarily in the third quarter of each year. Forest fires during the third quarter of 2003 had a significantly negative impact on the business's results for the third quarter of 2003 as portions of Glacier Park's operations were forced to close twice during the peak season. The 2004 season was successful and Glacier Park remained open the entire summer season resulting in greatly improved revenues and operating income in the third quarter of 2004 as compared to 2003.

Glacier Park's concession contract with the National Park Service expires at the end of 2005, at which time a new concessionaire may be selected by the National Park Service and Viad's Glacier Park operations would cease. In such a circumstance, Viad would be entitled to an amount equal to its "possessory interest," which generally means the value of the structures acquired or constructed, fixtures installed or improvements made to Glacier National Park while servicing its contract. While the option exists for the National Park Service to extend Glacier Park's contract for up to three years, it is not currently known if it will do so. Viad does, however, believe the investment income that would be earned on any possessory interest payment could compensate for the lost operating income of Glacier Park in future years.

Corporate Activities and Minority Interests . Corporate activities and minority interests decreased to \$4.1 million in the third quarter of 2004 from \$5.6 million in the third quarter of 2003. This was largely due to the reduction of employee benefit related costs as a result of the MoneyGram spin-off.

Net Interest Expense . Net interest expense increased to \$394,000 in the third quarter of 2004 from \$295,000 in the third quarter of 2003. This increase was primarily related to costs associated with Viad's new credit facilities. See "Liquidity and Capital Resources" for a discussion of Viad's credit arrangements.

Income Taxes . The effective tax rate before goodwill and intangible asset impairment losses in the third quarter of 2004 was 31.0 percent compared to 37.8 percent for the third quarter of 2003. The decrease was due to net favorable income tax settlements and adjustments recorded during the 2004 quarter.

Comparison of First Nine Months of 2004 to the First Nine Months of 2003

Revenues for the first nine months of 2004 increased slightly to \$633.5 million from \$626.6 million in 2003. The increase was primarily driven by positive show rotation at GES and increases in the Travel and Recreation Services segment resulting from higher visitation rates, partially offset by revenue declines at Exhibitgroup. Viad recorded a loss before income taxes of \$41.9 million for the nine months ended September 30, 2004 compared with income of \$37.2 million for the comparable period in 2003. Net loss for the first nine months of 2004 was \$51.5 million, or \$2.37 per share, compared to net income of \$20.9 million, or \$0.97 per share, for the first nine months of 2003. Income before impairment losses (see "Non-GAAP Measures" above) for the first nine months of 2004 was \$29.3 million compared to \$20.9 million in the 2003 period, up 39.9 percent. The increases were primarily driven by improved operating income at GES and the Travel and Recreation Services segments, offset by higher operating losses at Exhibitgroup as well as unfavorable corporate restructuring charges.

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GES . Revenues of the GES segment were \$441.7 million for the first nine months of 2004, an increase of 7.3 percent from the 2003 amount of \$411.6 million. The increase in revenues was substantially attributable to the favorable rotation GES experienced in the third quarter of 2004. This rotation included shows such as International Baking Industry Expo, MINExpo International, International Woodworking Machinery & Furniture Supply Fair and International Manufacturing Technology Show. In addition, during the third quarter of 2004 GES served as a general services contractor to the Democratic National Convention held in Boston. While these shows significantly increased GES's revenues in the third quarter, negative show rotation in the second quarter of 2004 and the first quarter of 2004 loss of the North American International Auto Show in Detroit (due to certain contractor requirements) limited the segment's growth as compared to the first nine months of 2003.

Segment operating income increased to \$46.2 million in the first nine months of 2004 from \$42.4 million in the first nine months of 2003, up 9.1 percent. Operating margins increased slightly to 10.5 percent in the first nine months of 2004 as compared to 10.3 percent in 2003. Operating income for the first nine months of 2004 excluded certain performance-based incentives which were included in the 2003 results. Excluding the year over year effect of these costs, operating income and margins declined in the first nine months of 2004 compared to 2003, despite higher revenues. GES has experienced pressure on margins due to increased labor and other costs, and a change in revenue mix. During the third quarter of 2004, GES experienced a ten day work stoppage in Las Vegas by the Teamsters Union and incurred direct costs of approximately \$1.3 million, mainly related to security, thereby negatively impacting operating results. GES is also experiencing significant pressure on higher margin material handling revenue as exhibitors are using lighter exhibits and bringing fewer products to the tradeshow floor. The third quarter operating results were also impacted by severe hurricane activity in the Southeast, the effects of which are not fully quantifiable. Additionally, GES has recently incurred increased costs for petroleum based commodities such as carpet, plastics and fuel. To date, GES has not been able to fully reflect these cost increases in its pricing structure to customers resulting in increased pressure on margins. Management believes that further improvements in the economy and corporate earnings could lead to increased tradeshow spending. However, in response to lower material handling revenue and increased labor and other costs, management continues to emphasize cost containment, productivity improvements and revenue growth through greater market penetration into exhibitor discretionary spending.

Exhibitgroup . Revenues of the Exhibitgroup segment were \$130.8 million for the first nine months of 2004, a decrease of 21.5 percent from the 2003 amount of \$166.7 million. The segment operating loss in the first nine months of 2004 was \$7.9 million compared to a loss of \$3.3 million in the first nine months of 2003. The overall declines in Exhibitgroup's operating performance reflect a significant reduction in new exhibit construction revenue as customers continue to reuse or refurbish their existing exhibits rather than construct new exhibits. Furthermore, management believes the sales cycle has continued to lengthen as spending on new construction has not materialized to date despite recent proposal wins. The substantial deterioration in new exhibit construction has resulted in a less profitable mix of business. Higher margin construction revenues accounted for only 15 to 20 percent of Exhibitgroup's total revenues in the third quarter compared to 25 to 30 percent earlier in 2004 and compared to historical norms of 40 to 45 percent. This change in the revenue mix has contributed to lower margins and operating losses despite cost control efforts. Management believes industry conditions will remain highly competitive in the near term, leading to lower revenue year over year in the fourth quarter. Management remains focused on cost control, productivity enhancements, customer service improvements and innovative pricing strategies in order to preserve and increase operating margins over the longer-term.

Travel and Recreation Services . Revenues of the travel and recreation services businesses were \$61.0 million, an increase of 26.3 percent from \$48.3 million in the first nine months of 2003. Segment operating income was \$20.3 million for the first nine months of 2004, compared with \$12.0 million for the first nine months of 2003. Operating margins increased to 33.2 percent in the first nine months of 2004 from 24.9 percent in the first nine months of 2003. In 2003, this segment experienced decreased visitation rates due to such factors as the war in Iraq, the outbreak of certain health issues and Air Canada's financial difficulties. The 2004 year-to-date increases in revenues and operating income reflect improved visitation to Brewster, especially from the Far East. As compared to the first nine months of 2003, passenger volumes were up more than 30 percent for Brewster's Ice Explorer Tours going to the Columbia Icefield, and up nearly 18 percent for the Banff Gondola, which takes passengers to the summit of Sulphur Mountain.

Forest fires during the third quarter of 2003 had a significantly negative impact on Glacier Park's 2003 results as portions of that business's operations were forced to close twice during the peak season. The 2004 season was successful and Glacier Park remained open the entire summer season resulting in greatly improved revenues and operating income over the 2003 season.

Net Interest Expense . Net interest expense decreased to \$1.0 million in the first nine months of 2004 from \$2.6 million in the first nine months of 2003. This decrease was primarily related to lower average debt balances partially offset by costs associated with Viad's new credit facilities.

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Income Taxes. The effective tax rate before goodwill and intangible asset impairment losses for the first nine months of 2004 was 35.6 percent compared to 43.8 percent for the 2003 period. The decrease in the effective tax rate period over period was primarily due to net favorable income tax settlements and adjustments recorded in 2004.

Liquidity and Capital Resources:

Cash and cash equivalents were \$119.3 million at September 30, 2004 as compared to \$61.3 million at December 31, 2003, with the increase primarily due to net distributions from Viad Corp (accounting predecessor to MoneyGram International) and to cash flow from operations. In July 2004, Viad used approximately \$27 million to pay certain liabilities related to the MoneyGram spin-off and to pay Viad's common stock dividend related to pre-spin-off operations.

Viad's total debt at September 30, 2004 was \$22.7 million compared with \$50.1 million at December 31, 2003. The debt-to-capital ratio was 0.061 to 1 at September 30, 2004 compared with 0.129 to 1 at December 31, 2003. Capital is defined as total debt plus minority interests and common stock and other equity.

Effective June 30, 2004, Viad entered into a \$150 million secured revolving credit agreement with eight lenders. The term of the credit facility is three years (expiring on June 30, 2007) and borrowings are to be used for general corporate purposes (including permitted acquisitions) and to support up to \$75 million of letters of credit. The lenders have a first perfected security interest in all of the personal property of Viad and GES, including 65 percent of the capital stock of top-tier foreign subsidiaries. GES is a guarantor of the facility. Borrowings under the facility are indexed to the prime rate or the London Interbank Offering Rate, plus appropriate spreads tied to Viad's leverage ratio. Commitment fees and letters of credit fees are also tied to Viad's leverage ratio. At September 30, 2004, Viad had an outstanding borrowing of \$12.4 million under the revolving credit agreement which was used to repay the Wachovia Bank ESOP loan described below. With the termination of Viad's previous credit facilities upon the MoneyGram spin-off, \$9.5 million of letters of credit automatically transitioned to the new \$150 million credit agreement. Financial covenants include a minimum consolidated net worth requirement of not less than \$325.1 million plus 50 percent of positive quarterly consolidated net income on a rolling four-quarter basis; a fixed-charge coverage ratio of not less than 1.25 to 1, and a leverage ratio (defined as total debt to Adjusted EBITDA) of no greater than 2.65 to 1. Significant other covenants include limitations on investments, common stock dividends, stock repurchases, additional indebtedness, sales/leases of assets, acquisitions, consolidations or mergers, liens on property, capital expenditures and operating leases. At September 30, 2004, Viad was in compliance with all covenants.

In July 2004, Viad borrowed \$12.4 million under the revolving credit agreement described above to pay in full the Wachovia Bank ESOP loan and release Viad from its guarantee of the loan. This transaction did not result in a net change to the Company's outstanding debt.

Capital expenditures for the nine months ended September 30, 2004 totaled \$9.3 million as compared to \$10.0 million in 2003. These expenditures primarily related to certain leasehold improvements, information systems and related costs, and manufacturing and other equipment. Capital expenditures for the full year 2004 are expected to approximate \$15 million to \$18 million.

The following table presents Viad's contractual obligations as of September 30, 2004:

| | Payments due by period | | | | |
|---|------------------------|---------------------|-----------------|-----------------|----------------------|
| | Total | Less than 1 year | 1-3 years | 3-5 years | More than 5 years |
| | (in thousands) | | | | |
| Debt | \$ 16,834 | \$ 4,134 | \$ 3,254 | \$ 9,446 | \$ — |
| Capital lease obligations | 5,869 | 1,055 | 1,607 | 1,133 | 2,074 |
| Operating leases | 118,026 | 22,276 | 33,940 | 26,441 | 35,369 |
| Preferred stock redemption liability (1) | 432 | 432 | — | — | — |
| Total contractual cash obligations (2) | \$141,161 | \$27,897 | \$38,801 | \$37,020 | \$37,443 |

(1) See "Overview" above for a discussion of the preferred stock redemption liability.

(2) As of September 30, 2004, Viad's aggregate noncancelable purchase obligations were not significant, and were therefore excluded from the table above.

Off-Balance Sheet Arrangements:

As of September 30, 2004, Viad did not have any “Off-Balance Sheet” arrangements that could materially affect liquidity or require the use of capital resources.

Critical Accounting Policies and Estimates:

The preparation of financial statements in conformity with GAAP requires estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities in the consolidated financial statements. The SEC has defined a company’s most critical accounting policies as those that are most important to the portrayal of a company’s financial position and results of operations, and that require a company to make its most difficult and subjective judgments, often as a result of the need to make estimates of matters that are inherently uncertain. Based on these criteria, Viad has identified and discussed with its audit committee the following critical accounting policies and estimates pertaining to Viad, and the methodology and disclosures related to those estimates:

Goodwill — SFAS No. 142 requires annual impairment testing of goodwill based on the estimated fair value of Viad’s reporting units. The fair value of Viad’s reporting units is estimated based on discounted expected future cash flows using a weighted average cost of capital rate. Additionally, an assumed terminal value is used to project future cash flows beyond base years. The estimates and assumptions regarding expected cash flows, terminal values and the discount rate require considerable judgment and are based on historical experience, financial forecasts, and industry trends and conditions.

During 2002, Viad recorded a transitional goodwill impairment loss of \$40.0 million (\$37.7 million after-tax) related to Exhibitgroup. Subsequent to the initial adoption of SFAS No. 142, annual impairment tests were performed in 2002 and 2003 resulting in no additional impairment. As discussed above, customer orders for new exhibit construction at Exhibitgroup declined further than management had anticipated in the three months ended September 30, 2004 resulting in a less profitable mix of business causing management to reduce its outlook for the full year. Viad performed interim goodwill and intangible asset impairment tests for the Exhibitgroup reporting unit and concluded that impairment losses were necessary on Exhibitgroup’s goodwill and trademark intangible asset. Accordingly, Viad recorded a charge of \$80.4 million (\$76.6 million after-tax), representing the entire carrying amount of Exhibitgroup’s goodwill, and a charge of \$7.0 million (\$4.2 million after-tax) representing management’s preliminary estimate of the trademark’s impairment (resulting in a remaining trademark book value of \$5.9 million). Management intends to finalize the valuation of the trademark during the fourth quarter of 2004.

As of September 30, 2004, Viad has recorded goodwill of \$149.2 million and \$31.5 million related to GES and the Travel and Recreation Services segments, respectively. Goodwill and unamortized intangible assets are tested for impairment annually as of October 31 of each year.

Insurance liabilities — Viad is self-insured up to certain limits for workers’ compensation, automobile, product and general liability, property loss and medical claims. Viad has also retained and provided for certain insurance liabilities in conjunction with the sales of businesses totaling \$12.1 million at September 30, 2004. Of this total, \$9.1 million related to workers compensation liabilities and the remaining \$3.0 million related to general liability claims. Provisions for losses for claims incurred, including estimated claims incurred but not yet reported, are made based on Viad’s prior historical experience, claims frequency and other factors. Viad has purchased insurance for amounts in excess of the self-insured levels. The self-insured retention levels generally range from \$200,000 to \$500,000 on a per claim basis. A change in the assumptions used could result in an adjustment to recorded liabilities. Viad does not maintain a self-insured retention pool fund as claims are paid from current cash resources at the time of settlement. Viad’s total cash payments in connection with these insurance liabilities were \$4.6 million and \$4.1 million for the nine months ended September 30, 2004 and 2003, respectively.

Postretirement benefits other than pensions — Viad and certain of its subsidiaries have defined benefit postretirement plans that provide medical and life insurance for certain eligible employees, retirees and dependents. The related postretirement benefit liabilities are recognized over the period that services are provided by employees. In addition, Viad retained the obligations for these benefits for retirees of certain sold businesses. While the plans have no funding requirements, Viad may fund the plans.

The assumed health care cost trend rate used in measuring both the 2003 and 2002 accumulated postretirement benefit obligation was ten percent in the year 2003, declining one percent each year to the ultimate rate of five percent by the year 2008 and remaining at that level thereafter.

A one-percentage-point increase in the assumed health care cost trend rate for each year would increase the accumulated postretirement benefit obligation at December 31, 2003 by \$4.7 million and the ongoing annual expense by

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\$454,000. A one-percentage-point decrease in the assumed health care cost trend rate for each year would decrease the accumulated postretirement benefit obligation at December 31, 2003 by \$4.1 million and the ongoing annual expense by \$387,000. See “Recent Accounting Pronouncements” below for a discussion of Financial Accounting Standards Board (“FASB”) Staff Position (“FSP”) FAS 106-2 related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003.

The weighted average discount rate used to determine benefit obligations at December 31, 2003 and 2002 were 6.25 percent and 6.75 percent, respectively. The weighted average discount rate used to determine net periodic benefit cost for the years ended December 31, 2003 and 2002 were 6.75 percent and 7.25 percent, respectively. The expected return on plans assets used to determine net periodic benefit cost for the years ended December 31, 2003 and 2002 was 3.75 percent for both years.

Stock-based compensation — As permitted by SFAS No. 123, “Accounting for Stock-Based Compensation,” and SFAS No. 148, “Accounting for Stock-Based Compensation-Transition and Disclosure,” Viad uses the intrinsic value method prescribed by Accounting Principles Board No. 25, “Accounting for Stock Issued to Employees,” and related interpretations in accounting for its stock-based compensation plans. Accordingly, Viad does not use the fair value method to value stock options in accordance with SFAS No. 123. See Note 2 of notes to consolidated financial statements for the pro forma impact of stock-based awards using the fair value method of accounting.

Recent Accounting Pronouncements

In May 2004, the FASB issued FSP FAS 106-2 on the accounting for the effects of the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the “Act”), which was enacted into law on December 8, 2003, and which provides a federal subsidy to employers that sponsor postretirement health care plans that provide certain prescription drug benefits to the extent such benefits are deemed “actuarially equivalent” to Medicare Part D. The Company made a one-time election, under the previously issued FSP FAS 106-1, to defer recognition of the effects of the Act until further authoritative guidance was issued. With FSP FAS 106-2, which superceded FSP FAS 106-1, specific guidance was provided in accounting for the subsidy, effective for the first reporting period beginning after June 15, 2004. The Company adopted FSP FAS 106-2 on July 1, 2004 using the prospective method. Refer to Note 10 of notes to consolidated financial statements for the effects of the Act on Viad’s financial position and results of operations.

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 historical information contained herein, this quarterly report includes certain information, assumptions and discussions that may constitute forward-looking statements. These forward-looking statements are not historical facts, but reflect current estimates, projections, expectations, or trends concerning future growth, operating cash flows, availability of short-term borrowings, consumer demand, new business, investment policies, productivity improvements, ongoing cost reduction efforts, efficiency, competitiveness, tax rates, and the realization of restructuring cost savings. Actual results could differ materially from those projected in the forward-looking statements. Viad’s businesses can be affected by a host of risks and uncertainties. Among other things natural disasters, gains and losses of customers, consumer demand patterns, labor relations, purchasing decisions related to customer demand for convention and event services, existing and new competition, industry alliances, consolidation, and growth patterns within the industries in which Viad competes and any deterioration in the economy may individually or in combination impact future results. In addition to factors mentioned elsewhere, economic, competitive, governmental, technological, capital marketplace and other factors, including further terrorist activities or war, could affect the forward-looking statements in this quarterly report.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Viad’s market risk exposures relate to fluctuations in interest rates, foreign exchange rates and certain commodity prices. Interest rate risk is the risk that changing interest rates will adversely affect the market value and earnings of Viad. Foreign exchange risk is the risk that fluctuating exchange rates will adversely affect earnings. Commodity risk is the risk that changing prices will adversely affect earnings.

Viad is exposed to short-term interest rate risk on certain of its debt obligations. Viad currently does not use derivative financial instruments to hedge cash flows for such obligations.

Viad is exposed to foreign exchange risk as it has certain transactions, receivables and payables denominated in foreign currencies. From time to time, Viad utilizes forward contracts to reduce the impact on earnings due to its exposure to fluctuations

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in foreign exchange rates. The effect of changes in foreign exchange rates, net of the effect of the related forward contracts, is not significant to earnings.

One of Viad's travel and recreation subsidiaries has certain exposure to changing fuel prices. Periodically, the subsidiary enters into futures contracts with an oil company to purchase two types of fuel and specifies the monthly total volume, by fuel product, to be purchased over the agreed upon term of the contract, which is generally no longer than one year. The main objective of Viad's risk policy is to reduce transaction exposure in order to mitigate the cash flow risk and protect profit margins.

Item 4. Controls and Procedures.

Under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, the effectiveness of the design and operation of disclosure controls and procedures has been evaluated as of the end of the period covered by this quarterly report, and, based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that these controls and procedures are effective. There were no significant changes in internal controls over financial reporting or in other factors that could significantly affect these controls subsequent to the date of that evaluation.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in the reports filed or submitted under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in such reports is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decision regarding required disclosure.

PART II—OTHER INFORMATION

Item 6. Exhibits.

| | |
|-------------------|---|
| Exhibit No. 3.B | Copy of Bylaws of Viad Corp, as amended through August 13, 2004.* |
| Exhibit No. 10.A | Copy of Viad Corp Deferred Compensation Plan (Executive) Amended and Restated as of August 13, 2004.+* |
| Exhibit No. 10.B | Copy of 1997 Viad Corp Omnibus Incentive Plan, as amended through August 13, 2004.+* |
| Exhibit No. 10.C1 | Copy of form of Incentive Stock Option Agreement pursuant to the 1997 Viad Corp Omnibus Incentive Plan, as amended February 19, 2004.+* |
| Exhibit No. 10.C2 | Copy of form of Non-Qualified Stock Option Agreement pursuant to the 1997 Viad Corp Omnibus Incentive Pan, as amended August 13, 2004.+* |
| Exhibit No. 10.D1 | Copy of form of Performance-Driven Restricted Stock Agreement, as amended August 13, 2004.+* |
| Exhibit No. 10.D2 | Copy of form of Performance-Based Restricted Stock Agreement pursuant to the 1997 Viad Corp Omnibus Incentive Plan, as amended August 13, 2004.+* |
| Exhibit No. 10.D3 | Copy of form of Restricted Stock Agreement (three-year cliff vesting) pursuant to the 1997 Viad Corp Omnibus Incentive Plan, as amended August 13, 2004.+* |
| Exhibit No. 10.E | Copy of form of Indemnification Agreement, filed as Appendix C to Viad Corp's Proxy Statement dated September 21, 1987, is hereby incorporated by reference.# |
| Exhibit No. 31.1 | Certification of Chief Executive Officer of Viad Corp pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.* |
| Exhibit No. 31.2 | Certification of Chief Financial Officer of Viad Corp pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.* |
| Exhibit No. 32.1 | Certification of Chief Executive Officer of Viad Corp pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.* |
| Exhibit No. 32.2 | Certification of Chief Financial Officer of Viad Corp pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.* |

* Filed herewith.

+ Management contract or compensation plan or arrangement.

Director contract.

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)

By /s/ G. Michael Latta

G. Michael Latta
Vice President — Controller
(Chief Accounting Officer
and Authorized Officer)

November 5, 2004

(Date)

Exhibit Index

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| Exhibit No. 3.B | Copy of Bylaws of Viad Corp, as amended through August 13, 2004.* |
| Exhibit No. 10.A | Copy of Viad Corp Deferred Compensation Plan (Executive) Amended and Restated as of August 13, 2004.+* |
| Exhibit No. 10.B | Copy of 1997 Viad Corp Omnibus Incentive Plan, as amended through August 13, 2004.+* |
| Exhibit No. 10.C1 | Copy of form of Incentive Stock Option Agreement pursuant to the 1997 Viad Corp Omnibus Incentive Plan, as amended February 19, 2004.+* |
| Exhibit No. 10.C2 | Copy of form of Non-Qualified Stock Option Agreement pursuant to the 1997 Viad Corp Omnibus Incentive Pan, as amended August 13, 2004.+* |
| Exhibit No. 10.D1 | Copy of form of Performance-Driven Restricted Stock Agreement, as amended August 13, 2004.+* |
| Exhibit No. 10.D2 | Copy of form of Performance-Based Restricted Stock Agreement pursuant to the 1997 Viad Corp Omnibus Incentive Plan, as amended August 13, 2004.+* |
| Exhibit No. 10.D3 | Copy of form of Restricted Stock Agreement (three-year cliff vesting) pursuant to the 1997 Viad Corp Omnibus Incentive Plan, as amended August 13, 2004.+* |
| Exhibit No. 31.1 | Certification of Chief Executive Officer of Viad Corp pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.* |
| Exhibit No. 31.2 | Certification of Chief Financial Officer of Viad Corp pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.* |
| Exhibit No. 32.1 | Certification of Chief Executive Officer of Viad Corp pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.* |
| Exhibit No. 32.2 | Certification of Chief Financial Officer of Viad Corp pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.* |

* Filed herewith.

+ Management contract or compensation plan or arrangement.

Director contract.

EXHIBIT 3.B

**BYLAWS
OF
VIAD CORP**

**INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE
AS AMENDED THROUGH AUGUST 13, 2004**

ARTICLE I

OFFICES AND RECORDS

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

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

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

ARTICLE II

STOCKHOLDERS

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

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

SECTION 2.3. PLACE OF MEETING. The Board of Directors may designate the place of meeting for any meeting of the stockholders. If no designation is made by the Board of Directors, the place of meeting shall be the principal office of the Corporation.

SECTION 2.4. NOTICE OF MEETING. Written or printed notice, stating the place, day and hour of the meeting and the purpose or purposes for which the meeting is called, shall be prepared and delivered by the Corporation not less than ten days nor more than sixty days before the date of the meeting, either personally, or by mail, to each stockholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail with postage thereon prepaid, addressed to the stockholder at his address as it appears on the stock

transfer books of the Corporation. Such further notice shall be given as may be required by law. Meetings may be held without notice if all stockholders entitled to vote are present, or if notice is waived by those not present. Any previously scheduled meeting of the stockholders may be postponed by resolution of the Board of Directors upon public notice given prior to the time previously scheduled for such meeting of stockholders.

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

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

SECTION 2.7. NOTICE OF STOCKHOLDER BUSINESS AND NOMINATIONS.

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

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

beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner and (ii) the class and number of shares of the Corporation which are owned beneficially and of record by such stockholder and such beneficial owner.

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

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

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

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

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

SECTION 2.8. PROCEDURE FOR ELECTION OF DIRECTORS. Election of directors at all meetings of the stockholders at which directors are to be elected shall be by written ballot, and, except as otherwise set forth in the Certificate of Incorporation with respect to the right of the holders of the \$4.75 Preferred Stock, any series of Preferred Stock or any other series or class of stock to elect

additional directors under specified circumstances, a plurality of the votes cast thereat shall elect. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, all matters other than the election of directors submitted to the stockholders at any meeting shall be decided by a majority of the votes cast with respect thereto.

SECTION 2.9. INSPECTORS OF ELECTIONS; OPENING AND CLOSING THE POLLS.

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

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

SECTION 2.10. NO STOCKHOLDER ACTION BY WRITTEN CONSENT. Subject to the rights of the holders of the \$4.75 Preferred Stock, any series of Preferred Stock or any other series or class of stock as set forth in the Certificate of Incorporation to elect additional directors under specific circumstances, any action required or permitted to be taken by the stockholders of the Corporation must be effected at an annual or special meeting of stockholders of the Corporation and may not be effected by any consent in writing by such stockholders.

ARTICLE III

BOARD OF DIRECTORS

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

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

authorized by a resolution of the Board of Directors, directors may be elected to fill any vacancy on the Board of Directors, regardless of how such vacancy shall have been created.

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

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

SECTION 3.4. SPECIAL MEETINGS. Special meetings of the Board of Directors shall be called at the request of the Chairman of the Board, the President or a majority of the Board of Directors. The person or persons authorized to call special meetings of the Board of Directors may fix the place and time of the meetings.

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

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

SECTION 3.7. VACANCIES. Subject to the rights of the holders of the \$4.75 Preferred Stock, any series of Preferred Stock or any other series or class of stock, as set forth in the Certificate of Incorporation, to elect additional directors under specified circumstances, and unless the Board of Directors otherwise determines, vacancies resulting from death, resignation, retirement, disqualification, removal from office or other cause, and newly created directorships resulting from any increase in the authorized number of directors, may be filled only by the affirmative vote of a majority of the remaining directors, though less than a quorum of the Board of Directors, and directors so

chosen shall hold office for a term expiring at the annual meeting of stockholders at which the term of office of the class to which they have been elected expires and until such director's successor shall have been duly elected and qualified. No decrease in the number of authorized directors constituting the Whole Board shall shorten the term of any incumbent director.

SECTION 3.8. [INTENTIONALLY LEFT BLANK]

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

ARTICLE IV

OFFICERS

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

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

SECTION 4.3. CHAIRMAN OF THE BOARD. The Chairman of the Board shall preside at all meetings of the stockholders and of the Board of Directors. The Chairman of the Board shall be responsible for the general management of the affairs of the Corporation and shall perform all duties incidental to his office which may be required by law and all such other duties as are properly required of him by the Board of Directors. Except where by law the signature of the President is required, the Chairman of the Board shall possess the same power as the President to sign all certificates, contracts, and other instruments of the Corporation which may be authorized by the Board of Directors. He shall make reports to the Board of Directors and the stockholders, and shall perform all such other duties as are properly required of him by the Board of Directors. He shall see that all orders and resolutions of the Board of Directors and of any committee thereof are carried into effect.

SECTION 4.4. PRESIDENT. The President shall act in a general executive capacity and shall assist the Chairman of the Board in the administration and operation of the Corporation's business and general supervision of its policies and affairs. The President shall, in the absence of or because of the inability to act of the Chairman of the Board, perform all duties of the Chairman of the Board and preside at all meetings of stockholders and of the Board of Directors. The President may sign, alone or with the Secretary, or an Assistant Secretary, or any other proper officer of the Corporation authorized by the Board of Directors, certificates, contracts, and other instruments of the Corporation as authorized by the Board of Directors.

SECTION 4.5. SECRETARY. The Secretary shall give, or cause to be given, notice of all meetings of stockholders and Directors and all other notices required by law or by these Bylaws, and

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

SECTION 4.6. TREASURER. The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate account of receipts and disbursements in books belonging to the Corporation. The Treasurer shall deposit all moneys and other valuables in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, the Chairman of the Board, or the President, taking proper vouchers for such disbursements. The Treasurer shall render to the Chairman of the Board, the President and the Board of Directors, whenever requested, an account of all his transactions as Treasurer and of the financial condition of the Corporation. If required by the Board of Directors, the Treasurer shall give the Corporation a bond for the faithful discharge of his duties in such amount and with such surety as the Board of Directors shall prescribe.

SECTION 4.7. REMOVAL. Any officer elected by the Board of Directors may be removed by a majority of the members of the Whole Board whenever, in their judgment, the best interests of the Corporation would be served thereby. No elected officer shall have any contractual rights against the Corporation for compensation by virtue of such election beyond the date of the election of his successor, his death, his resignation or his removal, whichever event shall first occur, except as otherwise provided in an employment contract or an employee plan.

SECTION 4.8. VACANCIES. A newly created office and a vacancy in any office because of death, resignation, or removal may be filled by the Board of Directors for the unexpired portion of the term at any meeting of the Board of Directors.

ARTICLE V

STOCK CERTIFICATES AND TRANSFERS

SECTION 5.1. STOCK CERTIFICATES AND TRANSFERS

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

(B) The certificates of stock shall be signed, countersigned and registered in such manner as the Board of Directors may by resolution prescribe, which resolution may permit all or any of the signatures on such certificates to be in facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such

officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

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

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

ARTICLE VI

MISCELLANEOUS PROVISIONS

SECTION 6.1. FISCAL YEAR. The fiscal year of the Corporation shall begin on the first day of January and end on the thirty-first day of December of each year.

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

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

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

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

SECTION 6.6. RESIGNATIONS. Any director or any officer, whether elected or appointed, may resign at any time by serving written notice of such resignation on the Chairman of the Board, the President or the Secretary, and such resignation shall be deemed to be effective as of the close of

business on the date said notice is received by the Chairman of the Board, the President, or the Secretary or at such later date as is stated therein. No formal action shall be required of the Board of Directors or the stockholders to make any such resignation effective.

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

(B) If a claim under paragraph (A) of this Bylaw is not paid in full by the Corporation within thirty days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Corporation) that the claimant has not met the standards of conduct which make it permissible under the General Corporation Law of the State of Delaware for the Corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel or stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the General Corporation Law of the State of Delaware, nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel or stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

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

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

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

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

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

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

SECTION 6.8. ELECTION NOT TO BE SUBJECT TO ARIZONA CONTROL SHARE ACQUISITIONS STATUTE. The Corporation elects not to be subject to Title 10, Chapter 23, Article 2 of the Arizona Revised Statutes, relating to "Control Share Acquisitions."

ARTICLE VII

AMENDMENTS

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

EXHIBIT 10.A

**VIAD CORP
DEFERRED COMPENSATION PLAN
AMENDED AND RESTATED AS OF AUGUST 13, 2004**

1. PURPOSE OF THE PLAN.

The purpose of the Deferred Compensation Plan (the Plan) is to provide a select group of management or highly compensated employees of Viad Corp (the Corporation) and its subsidiaries with an opportunity to defer the receipt of incentive compensation awarded to them under the Management Incentive Plan, the Performance Unit Incentive Plan and certain other incentive plans of Viad Corp and its subsidiaries (the Incentive Plans) and thereby enhance the long-range benefits and purposes of the incentive awards. Each plan year shall extend from January 1 through December 31 of each calendar year.

2. ADMINISTRATION OF THE PLAN.

The Plan shall be administered by the Compensation Advisory Committee (the Committee). Subject to the express provisions of the Plan, and the Incentive Plans, the Committee shall have the authority to adopt, amend and rescind such rules and regulations, and to make such determinations and interpretations relating to the Plan, which it deems necessary or advisable for the administration of the Plan, but it shall not have the power to amend, suspend or terminate the Plan. All such rules, regulations, determinations and interpretations shall be conclusive and binding on all parties.

3. PARTICIPATION IN THE PLAN.

(a) Participation in the Plan shall be restricted to a select group of management or highly compensated employees of the Corporation or one of its subsidiaries who are participants in certain Incentive Plans, including the Management Incentive Plan, Viad Corp Performance Unit Incentive Plan, and any other bonus or bonuses or similar or successor plans, who have been selected in writing by the Chief Executive Officer of the Corporation to participate in the Plan, and whose timely written requests to defer the receipt of all or a portion of any incentive compensation which may be awarded to them, are honored in whole or in part by the Committee. Any individual whose request for deferral is not accepted or honored by the Committee, whether for failure of timely submission or for any other reason, shall not become a participant in the Plan, and the Committee's determination in this regard shall be conclusive and binding.

(b) Participants may defer incentive compensation into a cash account and, if designated by the Committee, into a stock unit account.

(c) If a participant in the Plan shall (1) sever, voluntarily or involuntarily, his employment with the Corporation or one of its subsidiaries other than as a result of disability or retirement, (2) engage in any activity in competition with the Corporation or any of its subsidiaries during or following such employment, or (3) remain in the employ of a corporation which for any reason ceases to be a subsidiary of the Corporation, the Committee may at any time thereafter direct, in its sole and exclusive discretion, that his participation in the Plan shall terminate, and that he be paid in a lump sum the aggregate amount credited to his deferred incentive cash account as of the date such participation is terminated and that he receive a cash payment for settlement of the aggregate number of stock units credited to his deferred stock unit account as of the date such participation is terminated (with any fractional unit being settled by cash payment). The Committee is authorized to establish and implement a policy and procedures for administration of this paragraph, including, but not limited to, a policy regarding small account balance cash-outs.

(d) The Corporation and each participating subsidiary shall be solely liable for payment of any benefits and, except as may be otherwise determined by the Committee, for maintenance of deferred incentive accounts pursuant to paragraph 7, with respect to its own employees who participate in the Plan. In the event a participant leaves the employ of the Corporation or a participating subsidiary ("former employer") and is subsequently employed by another employer, the Corporation or another subsidiary of

the Corporation ("new employer"), the former employer may agree to transfer and the new employer may agree to assume the benefit liability reflected in such participant's deferred incentive account, without the consent of such participant and subject to the approval of the Committee, in its sole discretion. In the event of such a transfer and assumption of liability, the former employer shall have no further liability for any benefit under the Plan to its former employee or otherwise with respect to such transferred account.

(e) Notwithstanding any other provision of the Plan, if the Corporation effects a spin-off or other distribution to its shareholders of any of its subsidiaries (such subsidiary, "Spinco"), such transaction shall not be considered to result in the termination of employment of any participants who are employed with either the Corporation and its remaining subsidiaries or with Spinco and its subsidiaries immediately following such transaction. Furthermore, immediately following such transaction, with respect to participants who are employed with Spinco and its subsidiaries, all references in the Plan to termination of employment shall be deemed to include employment with Spinco and its subsidiaries; provided, that such participants shall not be eligible to continue to defer compensation under the Plan (although they may be permitted to do so under a successor or similar plan of Spinco).

4. REQUESTS FOR DEFERRAL.

All requests for deferral of incentive awards must be made in writing prior to November 15 of the year in which the bonus is being earned and shall be in such form and shall contain such terms and conditions as the Committee may determine. Each such request shall specify the dollar amount or the percentage to be deferred of incentive award which would otherwise be received in the following calendar year, but the deferral amount must be in an amount equal to or greater than the lesser of \$10,000 or 25% of the incentive award. Each such request shall also specify (1) the date (no later than the employee's actual retirement date) when payment of the aggregate amount credited to the deferred incentive account is to commence, (2) whether such payment is then to be made in a lump sum or in quarterly or annual installments, (3) if payment is to be made in installments, the period of time (not in excess of ten years) over which the installments are to be paid, and 4) if the participant is permitted to defer incentive compensation into a stock unit account, the portion of the deferred incentive compensation which shall be treated as a cash account under paragraph 7(b) and the portion which shall be treated as a stock unit account under paragraph 7(c). If the participant has requested that a portion of the deferred incentive compensation be placed in a stock unit account, such request shall also include acknowledgment that such stock unit account will be settled by a cash payment, and that such stock unit account cannot be converted to a cash account in the future. The Committee shall, under no circumstances, accept any request for deferral of less than \$1,000 of an incentive award or any request which is not in writing or which is not timely submitted.

5. DEFERRAL AND PAYMENT OF INCENTIVE AWARDS.

The Committee shall, prior to December 15 of the year in which the bonus is being earned, notify each individual who has submitted a request for deferral of an incentive award whether or not such request has been accepted and honored. If the request has been honored in whole or in part, the Committee shall advise the participant of the dollar amount or percentage of his incentive compensation which the Committee has determined to be deferred. The Committee shall further advise the participant of its determination as to the date when payment of the aggregate amount credited to the participant's deferred incentive account is to commence, whether payment of the amount so credited as of that date will then be made in a lump sum or in quarterly or annual installments, if payment is to be made in installments, the period of time over which the installments will be paid, and if the participant is permitted to defer incentive compensation into a stock unit account, whether the deferred incentive account shall be treated as a cash account or a stock unit account or split between cash and stock units. Upon subsequently being advised of the existence of special circumstances which are beyond the participant's control and which impose an unforeseen severe financial hardship on the participant or his beneficiary, the Committee may, in its sole and exclusive discretion, modify the deferral arrangement established for that participant to the extent necessary to remedy such financial hardship.

If the participant has elected to defer incentive compensation in the form of cash, the Corporation shall distribute a sum in cash to such participant, pursuant to his or her election provided for in paragraph 4. If the participant has elected to defer incentive compensation in the form of stock units, the Corporation

shall distribute to such participant, pursuant to his or her election provided for in paragraph 4, a cash payment for the number of stock units being settled in such installment (with any fractional unit being settled by cash payment).

6. CONVERSION OF CASH ACCOUNT BALANCE.

Each participant who is permitted to defer incentive compensation into a stock unit account may, not more than once a year or such other period as is determined by the Committee, by written notice delivered to the Committee, convert the aggregate balance or any portion thereof in his or her deferred compensation cash account (either before or after installment payments from the account may have commenced) from an account in the form of cash to an account in the form of stock units in an amount equal to the cash balance or specified portion thereof divided by the closing price of the Common Stock of the Corporation (as reported for the New York Stock Exchange-Composite Transactions) on the last trading day of the quarter in which such notice is given, said account to then accrue dividend equivalents as set forth in paragraph 7(c) below; provided however, that no such notice of conversion ("Conversion Notice")

(a) may be given within six months following the date of an election by such participant, if an Executive Officer of the Corporation, with respect to any plan of the Corporation, that effected a Discretionary Transaction (as defined in Rule 16b-3(f) under the Securities Exchange Act of 1934) that was a disposition or (b) may be given after an individual ceases to be an employee of the Corporation. The stock unit account will be settled by a cash payment (with any fractional unit being settled by cash payment) and such stock unit account cannot be converted to a cash account in the future.

7. DEFERRED INCENTIVE ACCOUNT.

(a) A deferred incentive account shall be maintained by the employer for each participant in the Plan, and there shall be credited to each participant's account, on the date incentive compensation is paid, the incentive award, or portion thereof, which would have been paid to such participant on said date if the receipt thereof had not been deferred. If the account is to be a stock unit account, the incentive compensation award shall be converted into stock units by dividing the closing price of the Corporation's Common Stock (as reported for the New York Stock Exchange Composite Transactions) on the day such incentive award is payable into such incentive award.

(b) If the participant has elected to defer incentive compensation in the form of cash, there shall be credited on the last day of the quarter to each participant's account, an interest credit on his deferred incentive award at the interest rates determined by the Committee to be payable during each calendar year, or portion thereof, prior to the termination of such participant's deferral period or, if the amount then credited to his deferred incentive account is to be paid in installments, prior to the termination of such installment period. Interest will be paid on a prorated basis for amounts withdrawn from the account during the quarter, with the remaining balance accruing interest for the duration of the quarter. The interest credit for the following quarter shall be a rate equal to the yield as of March 31, June 30, September 30, and December 31 on Merrill Lynch Taxable Bond Index - Long Term Medium Quality (A3) Industrial Bonds, unless and until otherwise determined.

(c) If a participant has elected to defer incentive compensation in the form of stock units, then, in the event of a dividend paid in cash, stock of the Corporation (other than Common Stock) or property, additional credits (dividend equivalents) shall be made to the participant's stock unit account consisting of a number of stock units equal to the amount of such dividend per share (or the fair market value, on the date of payment, of dividends paid in stock or property), multiplied by the aggregate number of stock units credited to such participant's deferred compensation account on the record date for the payment of such dividend, divided by the last closing price of the Corporation's Common Stock (as reported for the New York State Exchange-Composite transactions) prior to the date such dividend is payable to stockholders. After payment of deferred compensation commences, dividend equivalents shall accrue on the unpaid balance thereof in the same manner until all such deferred compensation has been paid.

(d) In the event of a dividend of Common Stock declared and paid by the Corporation, an additional credit shall be made to the participant's stock unit account of a number of stock units equal to the number of shares of Common Stock which the participant would have received as a stock dividend

had he or she been the owner on the record date for the payment of such stock dividend of the number of shares of Common Stock equal to the number of units in such stock unit account on such date. After payment of deferred compensation commences, additional credits for stock dividends shall accrue on the unpaid balance thereof in the same manner until all such deferred compensation has been paid.

(e) The Plan shall at all times be unfunded. The Corporation shall not be required to segregate physically any amounts of money or otherwise provide funding or security for any amounts credited to the deferred incentive accounts of participants in the Plan.

8. STOCK UNIT ACCOUNTS.

The cash payment for the settlement (or distribution) of a stock unit account shall be equal to the number of stock units in such cash unit account multiplied by the last closing price of the Corporation's Common Stock (as reported for the New York Stock Exchange Composite Transactions) (the "Closing Price") prior to the date of the settlement (or distribution) (with a cash payment for a fractional unit equal to the fraction multiplied by the Closing Price).

9. CHANGE OF CONTROL OR CHANGE IN CAPITALIZATION.

(a) If a Change of Control (as defined from time to time in the Omnibus Incentive Plan of the Corporation) occurs, a lump sum cash payment shall be made to each participant participating in the Plan of the aggregate current balance of his or her deferred compensation cash account accrued on the date of the Change of Control, notwithstanding any other provision herein. If a Change of Control occurs and the participant has elected to defer compensation in the form of stock units, the Corporation shall distribute to such participant a cash payment in settlement of the aggregate number of stock units in such participant's stock unit account on the day preceding the date of the Change of Control (with any fractional unit being settled by cash payment). Any notice by a participant to change or terminate his or her election to defer Compensation on or before the date of the Change of Control shall be effective as of the date of the Change of Control, notwithstanding any other provision herein.

(b) Any recapitalization, reclassification, split-up, spin-off, 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 relevant change in the capitalization of the Corporation shall be appropriately adjusted for by the Board of Directors of this Corporation, and any such adjustments shall be final, conclusive and binding.

10. DESIGNATION OF BENEFICIARY.

Each participant in the Plan shall deliver to the Committee a written instrument, in the form provided by the Committee, designating one or more beneficiaries to whom payment of the amount credited to his deferred incentive account shall be made in the event of his death. Unless the Committee shall otherwise determine, such payments shall be made in such amounts and at such times as they would otherwise have been paid to the participant if he had survived.

11. NONASSIGNABILITY OF PARTICIPATION RIGHTS.

No right, interest or benefit under the Plan shall be assignable or transferable under any circumstances other than to a participant's designated beneficiary in the event of his death, nor shall any such right, interest or benefit be subject to or liable for any debt, obligation, liability or default of any participant. The payments, benefits or rights arising by reason of this Plan shall not in any way be subject to a participant's debts, contracts or engagements, and shall not be subject to attachment, garnishment, levy, execution or other legal or equitable process.

12. RIGHTS OF PARTICIPANTS.

A participant in the Plan shall have only those rights, interests or benefits as are expressly provided in the Plan and in the Incentive Plans. The Plan shall be deemed to be ancillary to the Incentive Plans and the rights of participants in the Plan shall be limited as provided in the Incentive Plans.

13. CLAIMS FOR BENEFITS.

Claims for benefits under the Plan shall be filed with the Committee. Written notice of the disposition of a claim shall be furnished to the claimant within 60 days after the application therefor is filed. In the event the claim is denied, the reasons for the denial shall be specifically set forth. Pertinent provisions of this Plan shall be cited. In addition, the written notice shall describe any additional material or information necessary for the claimant to perfect the claim (along with an explanation of why such material or information is needed), and the written notice will fully describe the claim review procedures of paragraph 14 below.

14. CLAIM REVIEW.

Any claimant who has been denied a benefit shall be entitled, upon request to the Committee, to receive a written notice of such action, together with a full and clear statement of the reasons for the action. The claimant may also review this Plan if he chooses. If the claimant wishes further consideration of his position, he may request a hearing. The request, together with a written statement of the claimant's position, shall be filed with a Committee member no later than 60 days after receipt of the written notification provided for above. The Committee shall schedule an opportunity for a full and fair hearing of the issue within the next 60 days. The decision following the hearing shall be made within 60 days and shall be communicated in writing to the claimant. If the claimant requests, the hearing may be waived, in which case the Committee's decision shall be made within 60 days from the date on which the hearing is waived and shall be communicated in writing to the claimant.

15. AMENDMENT, SUSPENSION OR TERMINATION OF THE PLAN.

The Board of Directors of the Corporation (the Board) may from time to time amend, suspend or terminate the Plan, in whole or in part, and if the Plan is suspended or terminated, the Board may reinstate any or all provisions of the Plan, except that no amendment, suspension or termination of the Plan shall, without the consent of a participant, adversely affect such participant's right to receive payment of the entire amount credited to his deferred incentive account on the date of such Board action. In the event the Plan is suspended or terminated, the Board may, in its discretion, direct the Committee to pay to each participant the amount credited to his account either in a lump sum or in accordance with the Committee's prior determination regarding the method of payment.

16. EFFECTIVE DATE.

The Plan shall become effective on the date of its approval by the Human Resources Committee of the Viad Corp Board of Directors or on such other date as the Human Resources Committee may direct, but the Plan shall become operative with respect to a select group of management or highly compensated employees of each subsidiary only upon the adoption of the Plan by that subsidiary's Board of Directors.

EXHIBIT 10.B

**VIAD CORP
1997 OMNIBUS INCENTIVE PLAN,
AS AMENDED THROUGH AUGUST 13, 2004**

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: economic value added, 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, pre-tax income, operating income margin, net income, stockholder return including performance (total stockholder return) relative to the S&P 500, MidCap 400 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, cash flow, 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 500,000 shares for any consecutive twelve-month period and the aggregate dollar amount for Awards denominated solely in cash will not exceed \$5.0 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, \$1.5 million; (ii) a president of any of the Company's operating companies, whether or not incorporated, \$750,000; and (iii) all other executive officers of the Company individually, \$500,000.

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 Com-

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

(1) An acquisition by an individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either: (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"); excluding, however the following: (A) any acquisition directly from the Corporation or any entity controlled by the Corporation other than an acquisition by virtue of the exercise of a conversion privilege unless the security being so converted was itself acquired directly from the Corporation or any entity controlled by the Corporation, (B) any acquisition by the Corporation, or any entity controlled by the Corporation, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Corporation or any entity controlled by the Corporation or (D) any acquisition pursuant to a transaction which complies with clauses (i), (ii) and (iii) of Section 9(b)(3); or

(2) A change in the composition of the Board such that the individuals who, as of the effective date of the Plan, constitute the Board (such Board shall be hereinafter referred to as the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, for purposes of this Section 9(b)(2) that any individual, who becomes a member of the Board subsequent to the effective date of the Plan, whose election, or nomination for election by the Corporation's shareholders, was approved by a vote of at least a majority of those individuals who are members of the Board and who were also members of the Incumbent Board, (or deemed to be such pursuant to this proviso) shall be considered as though such individual were a

member of the Incumbent Board; but provided further, that any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board shall not be so considered as a member of the Incumbent Board, or

(3) Consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Corporation (a "Corporate Transaction") excluding, however, such a Corporate Transaction pursuant to which (i) all or substantially all of the individuals and entities who are the beneficial owners, respectively, of the Outstanding Corporation Common Stock and Outstanding Corporation Voting Securities immediately prior to such Corporate Transaction (the "Prior Shareholders") beneficially own, directly or indirectly, more than 60% of, respectively, the outstanding shares of Common Stock and the combined voting power of the then Outstanding Voting Securities entitled to vote generally in the election of Directors, as the case may be, of the Corporation or other entity resulting from such Corporate Transaction (including, without limitation, a corporation or other entity which as a result of such transaction owns the Corporation or all or substantially all of the Corporation's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Corporate Transaction, of the Outstanding Corporation Common Stock and Outstanding Corporation Voting Securities, as the case may be, (ii) no Person (other than the Corporation or any entity controlled by the Corporation, any employee benefit plan (or related trust) of the Corporation or any entity controlled by the Corporation or such corporation or other entity resulting from such Corporate Transaction) will beneficially own, directly or indirectly, 20% or more of, respectively, the outstanding shares of Common Stock of the Corporation or other entity resulting from such Corporate Transaction or the combined voting power of the Outstanding Voting Securities of such Corporation or other entity entitled to vote generally in the election of Directors except to the extent that such ownership existed prior to the Corporate Transaction and (iii) individuals who were members of the Incumbent Board will constitute at least a majority of the members of the Board of Directors of the Corporation resulting from such Corporate Transaction; and further excluding any disposition of all or substantially all of the assets of the Corporation pursuant to a spin-off, split-up or similar transaction (a "Spin-off") if, immediately following the Spin-off, the Prior Shareholders beneficially own, directly or indirectly, more than 80% of the outstanding shares of Common Stock and the combined voting power of the then Outstanding Voting Securities entitled to vote generally in the election of directors of both entities resulting from such transaction, in substantially the same proportions as their ownership, immediately prior to such transaction, of the Outstanding Corporation Common Stock and Outstanding Corporation Voting Securities; provided, that if another Corporate Transaction involving the Corporation occurs in connection with or following a Spin-off, such Corporate Transaction shall be analyzed separately for purposes of determining whether a Change of Control has occurred;

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

(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 Composite 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.C1

**VIAD CORP
1997 OMNIBUS INCENTIVE PLAN
INCENTIVE STOCK OPTION AGREEMENT
AS AMENDED FEBRUARY 19, 2004**

(ISO)

Viad Corp (Corporation), a Delaware corporation, grants to _____ (Grantee) the option (Option) to purchase from the Corporation, pursuant to the Viad Corp 1997 Omnibus Incentive Plan (Plan), at the price of \$_____ per share (Option Price) _____ Shares of its Common Stock, par value \$1.50 (Common Stock) through the exercise of this Option in accordance with the terms and conditions hereinafter set forth.

1. **OPTION PERIOD AND TERMINATION OF EMPLOYMENT OF GRANTEE.** The period during which this Option may be exercised (Option Period) is the period beginning on the date hereof and ending seven (7) years from such date, subject to Section 2 below, and during this period this Option may be exercised only by the Grantee personally and while an employee of the Corporation or a subsidiary or division thereof (Affiliate), except that:

(a) If the Grantee ceases to be an employee of the Corporation or any Affiliate of the Corporation for any reason, excluding death, disability, retirement and termination of employment for Cause (as defined in the Plan), the option rights hereunder (as they exist on the day the Grantee ceases to be such an employee) may be exercised only within a period of three (3) months thereafter, subject to the notice requirements and forfeiture provisions set forth below, or prior to the expiration of the Option Period, whichever shall occur sooner. If the employment of the Grantee is terminated for Cause, all the option rights hereunder shall expire immediately upon the giving to the Grantee of notice of such termination.

(b) If the Grantee ceases to be an employee of the Corporation or any Affiliate of the Corporation due to disability or death, or dies within the three month or five year periods referred to in Sections (a) and (c) of this Section 1, the option rights hereunder (as they exist immediately prior to the Grantee's death) may be exercised by the Grantee or by the Grantee's personal representative only during a period of twelve (12) months thereafter in the case of death and only during a period of three (3) years thereafter in the case of disability, provided, if the Grantee dies within such three-year period, any unexercised option held by the Grantee will, notwithstanding the expiration of such three-year period, continue to be exercisable to the extent to which it was exercisable at the time of death for a period of twelve (12) months from the date of such death, subject in each case to the notice requirements set forth below, or prior in each case to the expiration of the Option Period, whichever shall occur sooner.

(c) If the Grantee ceases to be an employee of the Corporation or any Affiliate of the Corporation by reason of retirement, the option rights hereunder (as they exist on the day the Grantee ceases to be such an employee) may be exercised only within a period of five (5) years thereafter, subject to Section 1(d) and Section 2(c) below and further subject to the notice requirements and non-compete and forfeiture provisions set forth below, or prior to the expiration of the Option Period, whichever shall occur sooner, and in every case subject to Section 5(h) of the Plan.

(d) If this Option is exercised after the expiration of the exercise periods that apply for purposes of Section 422 of the Code, it will thereafter be treated as a Nonqualified Stock Option.

2. **METHOD OF EXERCISE OF THIS OPTION.** This Option may be exercised in the manner hereinafter prescribed, in whole or in part, at any time or from time to time, during the Option Period as follows.

(a) 20% of the Shares hereby optioned at any time after one year from the date hereof,

(b) 20% of the Shares hereby optioned at any time two years from the date hereof,

(c) 20% of the Shares hereby optioned at any time three years from the date hereof,

(d) 20% of the Shares hereby optioned at any time four years from the date hereof, and

(e) the balance of the Shares hereby optioned at any time after five years from the date hereof, provided that 100 Shares, or the total number of Shares remaining unpurchased hereunder, if less than 100 Shares, is the minimum number which may be purchased hereunder at any one time. This Option shall not be

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exercisable prior to the expiration of one year from the date of grant, except as otherwise specified in the Plan. All purchases hereunder must be completed within the time periods prescribed herein for the exercise thereof.

(f) Notwithstanding Sections (a), (b), (c), (d) and (e) of this

Section 2 if the Grantee ceases to be an employee of the Corporation by reason of death, disability or retirement, this Option (to the extent valid and outstanding as of the date such Grantee ceases to be an employee) if not then exercisable shall become fully exercisable to the full extent of the original grant; provided, however, that if such date such Grantee ceases to be an employee is within six months of the date of grant of a particular Stock Option held by a Grantee who is an officer or director of the Corporation and is subject to Section 16(b) of the Exchange Act this Option shall not become fully exercisable until six months and one day after such date of grant.

On or before the expiration of the Option Period specified herein, written notice of the exercise of this Option with respect to all or a part of the Common Stock hereby optioned may be mailed or delivered to the Corporation by the Grantee in substantially the form attached hereto or in such other form as the Corporation may require, properly completed and among other things stating the number of Shares of Common Stock with respect to which the Option is being exercised, and specifying the method of payment for such Common Stock. The notice must be mailed or delivered prior to the expiration of this Option.

Before any stock certificates shall be issued, the entire purchase price of the Common Stock purchased shall be paid to the Corporation. Certificates, registered in the name of the purchaser for the Common Stock purchased, will be issued to the purchaser as soon as practicable thereafter. Failure to pay the purchase price for any Common Stock within the time specified in said notice shall result in forfeiture of the Grantee's right to purchase the Common Stock at a later date and the number of Shares of Common Stock which may thereafter be purchased hereunder shall be reduced accordingly.

The purchase price may be paid either entirely in cash or in whole or in part with unrestricted Common Stock already owned by the Grantee. If the Grantee elects to pay the purchase price entirely in cash, he will be notified of the purchase price by the Corporation. If the Grantee elects to pay the purchase price either substantially all with Common Stock or partly with Common Stock and the balance in cash, he will be notified by the Corporation of the fair market value of the Common Stock on the exercise date and the amount of Common Stock or cash payable. Within five business days after the exercise date, the Grantee shall deliver to the Corporation either cash or Common Stock certificates, in negotiable form, at least equal in value to the purchase price, or that portion thereof to be paid for with Common Stock, together with cash sufficient to pay the full purchase price. Only full Shares of Common Stock shall be utilized for payment purposes.

3. FORFEITURE AND REPAYMENT PROVISIONS.

(a) CERTIFICATION. The right to exercise this Option shall be conditional upon certification by the Grantee at time of exercise that the Grantee has read and understands the forfeiture and repayment provisions set forth in this Section 3, that the Grantee has not engaged in any misconduct or acts contrary to the Corporation as described below, and that Grantee has no intent to leave employment with the Corporation or any of its Affiliates for the purpose of engaging in any activity or providing any services which are contrary to the spirit and intent of Section 3 (b).

(b) NON-COMPETE. Unless a Change of Control (as defined in the Plan) shall have occurred after the date hereof:

(i) In order to better protect the goodwill of the Corporation and its Affiliates and to prevent the disclosure of the Corporation's or its Affiliates' trade secrets and confidential information and thereby help insure the long-term success of the business, the Grantee, without prior written consent of the Corporation, will not engage in any activity or provide any services, whether as a director, manager, supervisor, employee, adviser, agent, consultant, owner of more than five (5) percent of any enterprise or otherwise, for a period of two (2) years following the date of the Grantee's termination of employment with the Corporation or any of its Affiliates, in connection with the manufacture, development, advertising, promotion, design, or sale of any service or product which is the same as or similar to or competitive with any services or products of the Corporation or its Affiliates (including both existing services or products as well as services or products known to the Grantee, as a consequence of the Grantee's employment with the Corporation or one of its Affiliates, to be in development):

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(1) with respect to which the Grantee's work has been directly concerned at any time during the two (2) years preceding termination of employment with the Corporation or one of its Affiliates, or

(2) with respect to which during that period of time the Grantee, as a consequence of the Grantee's job performance and duties, acquired knowledge of trade secrets or other confidential information of the Corporation or its Affiliates.

(ii) For purposes of the provisions of Section 3(b), it shall be conclusively presumed that the Grantee has knowledge of information he or she was directly exposed to through actual receipt or review of memos or documents containing such information, or through actual attendance at meetings at which such information was discussed or disclosed.

(iii) The Corporation is authorized to suspend or terminate this Option and any other outstanding stock option or stock appreciation right held by the Grantee prior to or after termination of employment if the Grantee engages in any conduct agreed to be avoided pursuant to the provisions of Section 3(b) at any time within the two (2) years following the date of the Grantee's termination of employment with the Corporation or any of its Affiliates.

(iv) If, at any time within two (2) years after the date of the Grantee's termination of employment with the Corporation or any of its Affiliates, Grantee engages in any conduct agreed to be avoided pursuant to the provisions of Section 3(b), then any gain (without regard to tax effects) realized by Grantee from the exercise of this Option, in whole or in part, shall be paid by Grantee to the Corporation. Grantee consents to the deduction from any amounts the Corporation or any of its Affiliates owes to Grantee to the extent of the amounts Grantee owes the Corporation hereunder.

(c) MISCONDUCT. Unless a Change of Control shall have occurred after the date hereof:

(i) The Corporation is authorized to suspend or terminate this Option and any other outstanding stock option or stock appreciation right held by the Grantee prior to or after termination of employment if the Corporation reasonably determines that during the Grantee's employment with the Corporation or any of its Affiliates:

(1) Grantee knowingly participated in misconduct that causes a misstatement of the financial statements of Viad or any of its Affiliates or misconduct which represents a material violation of any code of ethics of the Corporation applicable to the Grantee or of the Always Honest compliance program or similar program of the Corporation; or

(2) Grantee was aware of and failed to report, as required by any code of ethics of the Corporation applicable to the Grantee or by the Always Honest compliance program or similar program of the Corporation, misconduct that causes a misstatement of the financial statements of Viad or any of its Affiliates or misconduct which represents a material knowing violation of any code of ethics of the Corporation applicable to the Grantee or of the Always Honest compliance program or similar program of the Corporation.

(ii) If, at any time after the Grantee exercises this Option in whole or in part, the Corporation reasonably determines that the provisions of Section 3(c) apply to the Grantee, then any gain (without regard to tax effects) realized by the Grantee from such exercise shall be paid by Grantee to the Corporation. The Grantee consents to the deduction from any amounts the Corporation or any of its Affiliates owes to the Grantee to the extent of the amounts the Grantee owes the Corporation under this paragraph 3.

(d) ACTS CONTRARY TO CORPORATION. Unless a Change of Control shall have occurred after the date hereof:

(i) The Corporation is authorized to suspend or terminate this Option and any other outstanding stock option or stock appreciation right held by the Grantee prior to or after termination of employment if the Corporation reasonably determines that Grantee has acted significantly contrary to the best interests of the Corporation, including, but not limited to, any direct or indirect intentional disparagement of the Corporation.

(ISO)3

(ii) If, at any time within two (2) years after the Grantee exercises this Option in whole or in part, the Corporation reasonably determines that Grantee has acted significantly contrary to the best interests of the Corporation, including, but not limited to, any direct or indirect intentional disarrangement of the Corporation, then any gain (without regard to tax effects) realized by the Grantee from such exercise shall be paid by Grantee to the Corporation. The Grantee consents to the deduction from any amounts the Corporation or any of its Affiliates owes to the Grantee to the extent of the amounts the Grantee owes the Corporation under this Section 3.

(e) The Corporation's reasonable determination required under Sections 3(c)(i) and (ii) and 3(d)(i) and (ii) shall be made by the Human Resources Committee of the Corporation's Board of Directors, in the case of executive officers of the Corporation, and by the Chief Executive Officer and Corporate Compliance Officer of the Corporation, in the case of all other officers and employees.

4. **NON-TRANSFERABILITY OF THIS OPTION.** This Option may not be assigned, encumbered or transferred, in whole or in part, except by the Grantee's will or in accordance with the applicable laws of descent and distribution or as otherwise provided under the Plan.

5. **LIMIT ON GRANT.** The aggregate fair market value (determined as of the time the Option is granted) of Common Stock for which any Grantee may be granted one or more Incentive Stock Options first exercisable in this year or in any calendar year thereafter shall not exceed \$100,000.

6. **ADJUSTMENTS FOR CHANGES IN CAPITALIZATION OF CORPORATION.** The Common Stock covered by this Option is, at the option of the Corporation, either authorized but unissued or reacquired Common Stock. In the event of any merger, reorganization, consolidation, recapitalization, stock dividend, stock split, extraordinary distribution with respect to the Common Stock or other change in corporate structure affecting the Common Stock, during the Option Period, the number of Shares of Common Stock which may thereafter be purchased pursuant to this Option and the purchase price per share, shall be appropriately adjusted, or other appropriate substitutions shall be made, and the determination of the Board of Directors of the Corporation, or the Human Resources Committee of the Board of Directors (Committee), as the case may be, as to any such adjustments shall be final, conclusive and binding upon the Grantee.

7. **NOTICE OF SALE.** The Grantee or any person to whom the Option or the Shares shall have been transferred by will or by the laws of descent and distribution or as otherwise provided under the Plan promptly shall give notice to the Corporation in the event of the sale or other disposition of Shares within two (2) years from the date of grant of such Option or within one year after the transfer of the Shares to Grantee. Such notice shall specify the number of Shares sold or otherwise disposed of, the date of disposition and the total proceeds received, and be directed to the Tax Department, Viad Corp, Viad Tower, Phoenix, Arizona 85077.

8. **EFFECT OF CHANGE IN CONTROL.** (a) In the event of a Change in Control (as defined in the Plan), this Option (to the extent outstanding as of the date such Change in Control is determined to have occurred) if not then exercisable and vested shall become fully exercisable and vested to the full extent of the original grant.

(b) Notwithstanding any other provision of the Plan, during the 60-day period from and after a Change in Control (the "Exercise Period"), the Grantee shall have the right, whether or not this Option is fully exercisable and in lieu of the payment of the exercise price for the Shares of Common Stock being purchased under the Option and by giving notice to the Corporation, to elect (within the Exercise Period) to surrender all or part of the Option to the Corporation and to receive cash, within 30 days of such notice, in an amount equal to the amount by which the Change in Control Price (as defined in the Plan) per share of Common Stock on the date of such election shall exceed the exercise price per share of Common Stock under the Option (the "Spread") multiplied by the number of Shares of Common Stock granted under the Option as to which the right granted hereunder shall have been exercised; provided, however, that if the Change in Control is within six months of the date of grant of a particular Option held by a Grantee who is an officer or director of the Corporation and is subject to Section 16(b) of the Securities Exchange Act of 1934 no such election shall be made by such Grantee with respect to such Option prior to six months from the date of grant. Notwithstanding any other provision hereof, if the end of such 60-day period from and after a Change in Control is within six months of the date of grant of an Option held by a Grantee who is an officer or director of the Corporation and is subject to Section 16(b), such Option shall be canceled in exchange for a cash payment to the Grantee, effected on the day which is six months and one day after the date of grant of such Option, equal to the Spread multiplied by the number of Shares of Common Stock granted under the Option.

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9. **PLAN AND PLAN INTERPRETATIONS AS CONTROLLING.** This Option 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 Board may amend the Plan, and that the Committee may interpret it and establish regulations for the administration thereof; provided that no such amendment or regulation shall impair the rights of any Grantee under an Option without the Grantee's consent, except an amendment for purposes of compliance with the federal securities laws. The Grantee, by acceptance of this Option, agrees to be bound by said Plan and such Board and Committee actions.

10. **TERMINATION OF THE PLAN; NO RIGHT TO FUTURE GRANTS.** By entering into this Option Agreement, the Grantee acknowledges: (a) that the Plan is discretionary in nature and may be suspended or terminated by the Corporation at any time; (b) that each grant of an Option is a one-time benefit which does not create any contractual or other right to receive future grants of Options, or benefits in lieu of Options; (c) that all determinations with respect to any such future grants, including, but not limited to, the times when the Option shall be granted, the number of Shares subject to each Option, the Option price, and the time or times when each Option shall be exercisable, will be at the sole discretion of the Corporation; (d) that the Grantee's participation in the Plan shall not create a right to further employment with the Grantee's employer and shall not interfere with the ability of the Grantee's employer to terminate the Grantee's employment relationship at any time with or without cause; (e) that the Grantee's participation in the Plan is voluntary; (f) that the value of the Options is an extraordinary item of compensation which is outside the scope of the Grantee's employment contract, if any; (g) that the Option is not part of normal and expected compensation for purposes of calculating any severance, resignation, bonuses, pension or retirement benefits or similar payments; (h) that the right to purchase Common Stock ceases upon termination of employment for any reason except as may otherwise be explicitly provided in the Plan or this Option Agreement; (i) that the future value of the Shares is unknown and cannot be predicted with certainty; (j) that if the underlying Shares do not increase in value, the Option will have no value; and (k) the foregoing terms and conditions apply in full with respect to any prior Option grants to Grantee.

11. **GOVERNING LAW.** This agreement is governed by and is to be construed and enforced in accordance with the laws of Arizona.

This Option may not be exercised whenever such exercise or the issuance of any of the optioned Shares would be contrary to law or the regulations of any governmental authority having jurisdiction.

IN WITNESS WHEREOF, VIAD CORP has caused this Option to be duly executed in its name.

Dated: _____, 2004

VIAD CORP

ATTEST:

By: ROBERT H. BOHANNON
Chairman, President and
Chief Executive Officer

Secretary or Assistant Secretary

THIS INCENTIVE STOCK OPTION AGREEMENT SHALL BE EFFECTIVE ONLY UPON EXECUTION BY THE GRANTEE AND DELIVERY TO AND RECEIPT BY THE CORPORATION.

ACCEPTED AND AGREED:

Grantee

(ISO)5

EXHIBIT 10.C2

**VIAD CORP
1997 OMNIBUS INCENTIVE PLAN
NON-QUALIFIED STOCK OPTION AGREEMENT
AS AMENDED AUGUST 13, 2004**

(NQ)

Viad Corp (Corporation), a Delaware corporation, grants to _____ (Grantee) the option (Option) to purchase from the Corporation, pursuant to the Viad Corp 1997 Omnibus Incentive Plan (Plan), at the price of \$_____ per share (Option Price) _____ Shares of its Common Stock, par value \$1.50 each (Common Stock) through the exercise of this Option in accordance with the terms and conditions hereinafter set forth.

1. **OPTION PERIOD AND TERMINATION OF EMPLOYMENT OF GRANTEE.** The period during which this Option may be exercised (Option Period) is the period beginning on the date hereof and ending seven (7) years from such date, subject to Section 2 below, and during this period this Option may be exercised only by the Grantee personally and while a director or an employee of the Corporation or a subsidiary or division thereof (Affiliate), except that:

(a) If the Grantee ceases to be a director or an employee of the Corporation or any Affiliate of the Corporation for any reason, excluding death, disability, retirement and termination of employment for Cause (as defined in the Plan), the option rights hereunder (as they exist on the day the Grantee ceases to be a director or employee) may be exercised only within a period of three (3) months thereafter, subject to the notice requirements and forfeiture provisions set forth below, or prior to the expiration of the Option Period, whichever shall occur sooner. If Grantee is an employee and is terminated for Cause, all the option rights hereunder shall expire immediately upon the giving to such Grantee of notice of such termination.

(b) If the Grantee ceases to be a director or an employee of the Corporation or any Affiliate of the Corporation due to death, or dies within the three month or three year periods referred to in Sections (a) or (c) of this Section 1, the option rights hereunder (as they exist immediately prior to the Grantee's death) may be exercised by the Grantee's personal representative only during a period of twelve (12) months thereafter in the case of death and only during a period of three (3) years thereafter in the case of disability, provided, if the Grantee dies within such three-year period, any unexercised option held by the Grantee will, notwithstanding the expiration of such three-year period, continue to be exercisable to the extent to which it was exercisable at the time of death for a period of twelve (12) months from the date of such death, subject in each case to the notice requirements set forth below, or prior in each case to the expiration of the Option Period, whichever shall occur sooner.

(c) If the Grantee ceases to be a director or an employee of the Corporation or any Affiliate of the Corporation by reason of disability, the option rights hereunder (as they exist on the day the Grantee ceases to be such director or employee) may be exercised only within a period of three (3) years thereafter, subject to Section 2(c) below and further subject to the notice requirements set forth below, or prior to the expiration of the Option Period, whichever shall occur sooner.

(d) If the Grantee ceases to be a director or an employee of the Corporation or any Affiliate of the Corporation by reason of retirement, the option rights hereunder (as they exist on the day the Grantee ceases to be such director or employee) may be exercised only within a period of five (5) years thereafter, subject to Section 2(c) below and further subject to the notice requirements and non-compete and forfeiture provisions set forth below, or prior to the expiration of the Option Period, whichever shall occur sooner.

2. **METHOD OF EXERCISE OF THIS OPTION.** This Option may be exercised in the manner hereinafter prescribed, in whole or in part, at any time or from time to time, during the Option Period as follows.

(a) 20% of the Shares hereby optioned at any time after one year from the date hereof,

(b) 20% of the Shares hereby optioned at any time two years from the date hereof,

(c) 20% of the Shares hereby optioned at any time three years from the date hereof,

(d) 20% of the Shares hereby optioned at any time four years from the date hereof, and

(e) the balance of the Shares hereby optioned at any time after five years from the date hereof, provided that 100 Shares, or the total number of Shares remaining unpurchased hereunder, if less than 100 Shares, is the

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minimum number which may be purchased hereunder at any one time. This Option shall not be exercisable prior to the expiration of one year from the date of grant, except as otherwise specified in the Plan. All purchases hereunder must be completed within the time periods prescribed herein for the exercise thereof.

(f) Notwithstanding Sections (a), (b), (c), (d) and (e) of this Section 2 if the Grantee ceases to be a director or an employee of the Corporation by reason of death, disability or retirement, this Option (to the extent valid and outstanding as of the date such Grantee ceases to be a director or an employee) if not then exercisable shall become fully exercisable to the full extent of the original grant; provided, however, that if such date such Grantee ceases to be a director or an employee is within six months of the date of grant of a particular Stock Option held by a Grantee who is an officer or director of the Corporation and is subject to Section 16(b) of the Exchange Act this Option shall not become fully exercisable until six months and one day after such date of grant.

On or before the expiration of the Option Period specified herein, written notice of the exercise of this Option with respect to all or a part of the Common Stock hereby optioned may be mailed or delivered to the Corporation by the Grantee in substantially the form attached hereto or in such other form as the Corporation may require, properly completed and among other things stating the number of Shares of Common Stock with respect to which the Option is being exercised, and specifying the method of payment for such Common Stock. The notice must be mailed or delivered prior to the expiration of this Option.

Before any stock certificates shall be issued, the entire purchase price of the Common Stock purchased shall be paid to the Corporation. Certificates, registered in the name of the purchaser for the Common Stock purchased, will be issued to the purchaser as soon as practicable thereafter. Failure to pay the purchase price for any Common Stock within the time specified in said notice shall result in forfeiture of the Grantee's right to purchase the Common Stock at a later date and the number of Shares of Common Stock which may thereafter be purchased hereunder shall be reduced accordingly.

The purchase price may be paid either entirely in cash or in whole or in part with unrestricted Common Stock already owned by the Grantee. If the Grantee elects to pay the purchase price entirely in cash, he will be notified of the purchase price by the Corporation. If the Grantee elects to pay the purchase price either substantially all with Common Stock or partly with Common Stock and the balance in cash, he will be notified by the Corporation of the fair market value of the Common Stock on the exercise date and the amount of Common Stock or cash payable. Within five business days after the exercise date, the Grantee shall deliver to the Corporation either cash or Common Stock certificates, in negotiable form, at least equal in value to the purchase price, or that portion thereof to be paid for with Common Stock, together with cash sufficient to pay the full purchase price. Only full Shares of Common Stock shall be utilized for payment purposes.

To the extent permissible under applicable tax, securities, and other laws, the Corporation will permit Grantee to satisfy a tax withholding requirement by surrendering Shares, including Shares to which Grantee is entitled as a result of the exercise of this Option, in such manner as the Corporation shall choose in its discretion to satisfy such requirement.

3. FORFEITURE AND REPAYMENT PROVISIONS. Unless a Change of Control (as defined in the Plan) shall have occurred after the date hereof:

(a) **CERTIFICATION.** The right to exercise this Option shall be conditional upon certification by the Grantee at time of exercise that the Grantee has read and understands the forfeiture and repayment provisions set forth in this Section 3, that the Grantee has not engaged in any misconduct or acts contrary to the Corporation as described below, and that Grantee has no intent to leave employment with the Corporation or any of its Affiliates for the purpose of engaging in any activity or providing any services which are contrary to the spirit and intent of Section 3(b).

(b) **NON-COMPETE.** Unless a Change of Control (as defined in the Plan) shall have occurred after the date hereof:

(i) In order to better protect the goodwill of the Corporation and its Affiliates and to prevent the disclosure of the Corporation's or its Affiliates' trade secrets and confidential information and thereby help insure the long-term success of the business, the Grantee, without prior written consent of the Corporation, will not engage in any activity or provide any services, whether as a director, manager, supervisor, employee, adviser, agent, consultant, owner of more than five (5) percent of any enterprise or otherwise, for a period of two (2) years following the date of the Grantee's termination of employment with the Corporation or any of its Affiliates, in connection with the manufacture, development, advertising, promotion, design, or sale of any service or product which is the same

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as or similar to or competitive with any services or products of the Corporation or its Affiliates (including both existing services or products as well as services or products known to the Grantee, as a consequence of the Grantee's employment with the Corporation or one of its Affiliates, to be in development):

(1) with respect to which the Grantee's work has been directly concerned at any time during the two (2) years preceding termination of employment with the Corporation or one of its Affiliates, or

(2) with respect to which during that period of time the Grantee, as a consequence of the Grantee's job performance and duties, acquired knowledge of trade secrets or other confidential information of the Corporation or its Affiliates.

(ii) For purposes of the provisions of Section 3(b), it shall be conclusively presumed that the Grantee has knowledge of information he or she was directly exposed to through actual receipt or review of memos or documents containing such information, or through actual attendance at meetings at which such information was discussed or disclosed.

(iii) The Corporation is authorized to suspend or terminate this Option and any other outstanding stock option or stock appreciation right held by the Grantee prior to or after termination of employment if the Grantee engages in any conduct agreed to be avoided pursuant to the provisions of Section 3(b) at any time within the two (2) years following the date of the Grantee's termination of employment with the Corporation or any of its Affiliates.

(iv) If, at any time within two (2) years after the date of the Grantee's termination of employment with the Corporation or any of its Affiliates, Grantee engages in any conduct agreed to be avoided pursuant to the provisions of Section 3(b), then any gain (without regard to tax effects) realized by Grantee from the exercise of this Option, in whole or in part, shall be paid by Grantee to the Corporation. Grantee consents to the deduction from any amounts the Corporation or any of its Affiliates owes to Grantee to the extent of the amounts Grantee owes the Corporation hereunder.

(c) MISCONDUCT. Unless a Change of Control shall have occurred after the date hereof:

(i) The Corporation is authorized to suspend or terminate this Option and any other outstanding stock option or stock appreciation right held by the Grantee prior to or after termination of employment if the Corporation reasonably determines that during the Grantee's employment with the Corporation or any of its Affiliates:

(1) Grantee knowingly participated in misconduct that causes a misstatement of the financial statements of Viad or any of its Affiliates or misconduct which represents a material violation of any code of ethics of the Corporation applicable to the Grantee or of the Always Honest compliance program or similar program of the Corporation; or

(2) Grantee was aware of and failed to report, as required by any code of ethics of the Corporation applicable to the Grantee or by the Always Honest compliance program or similar program of the Corporation, misconduct that causes a misstatement of the financial statements of Viad or any of its Affiliates or misconduct which represents a material knowing violation of any code of ethics of the Corporation applicable to the Grantee or of the Always Honest compliance program or similar program of the Corporation.

(ii) If, at any time after the Grantee exercises this Option in whole or in part, the Corporation reasonably determines that the provisions of Section 3(c) applies to the Grantee, then any gain (without regard to tax effects) realized by the Grantee from such exercise shall be paid by Grantee to the Corporation. The Grantee consents to the deduction from any amounts the Corporation or any of its Affiliates owes to the Grantee to the extent of the amounts the Grantee owes the Corporation under this Section 3.

(d) ACTS CONTRARY TO CORPORATION. Unless a Change of Control shall have occurred after the date hereof:

(i) The Corporation is authorized to suspend or terminate this Option and any other outstanding stock option or stock appreciation right held by the Grantee prior to or after termination of employment if the Corporation reasonably determines that Grantee has acted significantly contrary to the best interests of the Corporation, including, but not limited to, any direct or indirect intentional disparagement of the Corporation.

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(ii) If, at any time within two (2) years after the Grantee exercises this Option in whole or in part, the Corporation reasonably determines that Grantee has acted significantly contrary to the best interests of the Corporation, including, but not limited to, any direct or indirect intentional disparagement of the Corporation, then any gain (without regard to tax effects) realized by the Grantee from such exercise shall be paid by Grantee to the Corporation. The Grantee consents to the deduction from any amounts the Corporation or any of its Affiliates owes to the Grantee to the extent of the amounts the Grantee owes the Corporation under this Section 3.

(e) The Corporation's reasonable determination required under Sections 3(c)(i) and (ii) and 3(d)(i) and (ii) shall be made by the Human Resources Committee of the Corporation's Board of Directors, in the case of executive officers of the Corporation, and by the Chief Executive Officer and Corporate Compliance Officer of the Corporation, in the case of all other officers and employees.

4. **NON-TRANSFERABILITY OF THIS OPTION.** This Option may not be assigned, encumbered or transferred, in whole or in part, except by the Grantee's will or in accordance with the applicable laws of descent and distribution or as otherwise provided or permitted under the Plan, except that a Grantee holding a Non-Qualified Stock Option may designate as the transferee of any such Option any member of such Grantee's "Immediate Family" (as defined in Rule 16a, as promulgated by the Commission under the Exchange Act) or to a trust whose beneficiaries are members of such Grantee's Immediate Family, without payment of consideration, to have the power to exercise such Option, and be subject to all the conditions of such Option prior to such designation, such power to exercise to become effective only in the event that such optionee shall die prior to exercising such Option.

5. **ADJUSTMENTS FOR CHANGES IN CAPITALIZATION OF CORPORATION.** The Common Stock covered by this Option is, at the option of the Corporation, either authorized but unissued or reacquired Common Stock. In the event of any merger, reorganization, consolidation, recapitalization, stock dividend, stock split, extraordinary distribution with respect to the Common Stock or other change in corporate structure affecting the Common Stock during the Option Period, the number of Shares of Common Stock which may thereafter be purchased pursuant to this Option and the purchase price per share, shall be appropriately adjusted, or other appropriate substitutions shall be made, and the determination of the Board of Directors of the Corporation, or the Human Resources Committee of the Board of Directors, as the case may be, as to any such adjustments shall be final, conclusive and binding upon the Grantee.

6. **EFFECT OF CHANGE IN CONTROL.** (a) In the event of a Change in Control (as defined in the Plan), this Option (to the extent outstanding as of the date such Change in Control is determined to have occurred) if not then exercisable and vested shall become fully exercisable and vested to the full extent of the original grant.

(b) Notwithstanding any other provision of the Plan, during the 60-day period from and after a Change in Control (the "Exercise Period"), the Grantee shall have the right, whether or not this Option is fully exercisable and in lieu of the payment of the exercise price for the Shares of Common Stock being purchased under the Option and by giving notice to the Corporation, to elect (within the Exercise Period) to surrender all or part of the Option to the Corporation and to receive cash, within 30 days of such notice, in an amount equal to the amount by which the Change in Control Price (as defined in the Plan) per share of Common Stock on the date of such election shall exceed the exercise price per share of Common Stock under the Option (the "Spread") multiplied by the number of Shares of Common Stock granted under the Option as to which the right granted hereunder shall have been exercised; provided, however, that if the Change in Control is within six months of the date of grant of a particular Option held by a Grantee who is an officer or director of the Corporation and is subject to Section 16(b) of the Securities Exchange Act of 1934 no such election shall be made by such Grantee with respect to such Option prior to six months from the date of grant. Notwithstanding any other provision hereof, if the end of such 60-day period from and after a Change in Control is within six months of the date of grant of an Option held by a Grantee who is an officer or director of the Corporation and is subject to Section 16(b), such Option shall be canceled in exchange for a cash payment to the Grantee, effected on the day which is six months and one day after the date of grant of such Option, equal to the Spread multiplied by the number of Shares of Common Stock granted under the Option.

7. **PLAN AND PLAN INTERPRETATIONS AS CONTROLLING.** This Option 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 Board may amend the Plan, and that the Committee may interpret it and establish regulations for the administration thereof; provided that no such amendment or regulation shall impair the rights of any Grantee under an Option without the Grantee's consent, except an amendment for purposes of compliance with the federal securities laws. The Grantee, by acceptance of this Option, agrees to be bound by said Plan and such Board and Committee actions.

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8. **TERMINATION OF THE PLAN; NO RIGHT TO FUTURE GRANTS.** By entering into this Option Agreement, the Grantee acknowledges: (a) that the Plan is discretionary in nature and may be suspended or terminated by the Corporation at any time; (b) that each grant of an Option is a one-time benefit which does not create any contractual or other right to receive future grants of Options, or benefits in lieu of Options; (c) that all determinations with respect to any such future grants, including, but not limited to, the times when the Option shall be granted, the number of Shares subject to each Option, the Option price, and the time or times when each Option shall be exercisable, will be at the sole discretion of the Corporation; (d) that the Grantee's participation in the Plan shall not create a right to further employment with the Grantee's employer and shall not interfere with the ability of the Grantee's employer to terminate the Grantee's employment relationship at any time with or without cause; (e) that the Grantee's participation in the Plan is voluntary; (f) that the value of the Options is an extraordinary item of compensation which is outside the scope of the Grantee's employment contract, if any; (g) that the Option is not part of normal and expected compensation for purposes of calculating any severance, resignation, bonuses, pension or retirement benefits or similar payments; (h) that the right to purchase Common Stock ceases upon termination of employment for any reason except as may otherwise be explicitly provided in the Plan or this Option Agreement; (i) that the future value of the Shares is unknown and cannot be predicted with certainty; (j) that if the underlying Shares do not increase in value, the Option will have no value; and (k) the foregoing terms and conditions apply in full with respect to any prior Option grants to Grantee.

9. **GOVERNING LAW.** This agreement is governed by and is to be construed and enforced in accordance with the laws of Arizona.

This Option may not be exercised whenever such exercise or the issuance of any of the optioned Shares would be contrary to law or the regulations of any governmental authority having jurisdiction.

IN WITNESS WHEREOF, VIAD CORP has caused this Option to be duly executed in its name.

Dated: _____, 2004

VIAD CORP

ATTEST:

By: ROBERT H. BOHANNON
Chairman, President and
Chief Executive Officer

Secretary or Assistant Secretary

THIS NON-QUALIFIED STOCK AGREEMENT SHALL BE EFFECTIVE ONLY UPON EXECUTION BY THE GRANTEE AND DELIVERY TO AND RECEIPT BY THE CORPORATION.

ACCEPTED AND AGREED:

Grantee

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EXHIBIT 10.D1

**VIAD CORP
1997 OMNIBUS INCENTIVE PLAN
PERFORMANCE DRIVEN RESTRICTED STOCK AGREEMENT
AS AMENDED AUGUST 13, 2004**

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 follows:

a) 100% of Shares at the end of three years from the date hereof if performance targets are achieved under the Management Incentive Plan at a minimum average of 100% of "Target" over the three-year period;

b) 100% of Shares at the end of four years from the date hereof if performance targets are achieved under the Management Incentive Plan at an average of 75% or greater, but less than 100%, of "Target" over the three-year period;

c) If the performance targets are achieved under the Management Incentive Plan at an average of less than 75%, no award will be earned and the shares will be forfeited.

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 this paragraph 3 and in paragraph 8 below, if the Employee ceases to be an Employee of the Corporation or any affiliate of the Corporation for any reason , 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 is terminated by the Corporation or any affiliate of the Corporation for any reason (other than for Cause, or for failure to meet performance expectations, as determined by the Chief Executive Officer of the Corporation), or 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

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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 85004-4545.

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 will 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 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.

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

Dated: _____

VIAD CORP

By: _____

ROBERT H. BOHANNON
Chairman, President and Chief
Executive Officer

ATTEST:

General Counsel or Assistant Secretary

ACCEPTED:

Employee

(PDRS)3

EXHIBIT 10.D2

**VIAD CORP
1997 OMNIBUS INCENTIVE PLAN
PERFORMANCE-BASED RESTRICTED STOCK AGREEMENT
AS AMENDED AUGUST 13, 2004**

Shares of Performance-Based Restricted Stock are hereby awarded by Viad Corp (Corporation), a Delaware corporation, effective _____, to _____ (Employee) in accordance with the following restrictions, 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 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 follows:
 - a) One third of Earned Shares, effective as of January 1 of the first year following the year of grant, subject to final determination of achievement of Management Incentive Plan (MIP) performance targets;
 - b) One third of Earned Shares on January 1 of the second year following the year of grant; and
 - c) The remaining one third of Earned Shares on January 1 of the third year following the year of grant.

Shares will be earned, subject to forfeiture pursuant to paragraph 3, based upon the level of achievement of MIP performance targets in the year of grant (Earned Shares). No Shares will be earned if overall achievement of MIP performance targets is below 80% of target, and 25% of Shares will be earned if overall achievement of MIP performance targets is at 80% of target, with Shares above that level earned ratably at the same percentage as MIP awards, up to but not exceeding 100% of target achievement.

Full ownership of Earned Shares will enure to the benefit of the Employee at the expiration of the Restriction Period with respect thereto, subject to forfeiture pursuant to paragraph 3. 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 Earned 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. FORFEITURE AND REPAYMENT PROVISIONS.

(a) **TERMINATION OF EMPLOYMENT.** Except as provided in this paragraph 3(a) and in paragraph 8 below, if the Employee ceases to be an Employee of the Corporation or any of its Affiliates (as defined in the Plan) for any reason, all Shares or Earned 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 is terminated by the Corporation or any of its Affiliates for any reason, (other than for Cause, as defined in the Plan, or for failure to meet performance expectations, as determined by the Chief Executive Officer of the Corporation), or if the Employee ceases to be an employee of the Corporation or any of its Affiliates by reason of death or total or partial disability, full ownership of the Earned Shares will occur, 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 of its Affiliates by reason of normal or early retirement, full ownership of the Earned Shares will occur upon lapse of the applicable 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 Employee was employed during the year in which the award was granted.

(b) NON-COMPETE. Unless a Change of Control (as defined in the Plan) shall have occurred after the date hereof:

(i) In order to better protect the goodwill of the Corporation and its Affiliates and to prevent the disclosure of the Corporation's or its Affiliates' trade secrets and confidential information and thereby help insure the long-term success of the business, Employee, without prior written consent of the Corporation, will not engage in any activity or provide any services, whether as a director, manager, supervisor, employee, adviser, agent, consultant, owner of more than five (5) percent of any enterprise or otherwise, for a period of two (2) years following the date of Employee's termination of employment with the Corporation or any of its Affiliates, in connection with the manufacture, development, advertising, promotion, design, or sale of any service or product which is the same as or similar to or competitive with any services or products of the Corporation or its Affiliates (including both existing services or products as well as services or products known to the Employee, as a consequence of Employee's employment with the Corporation or one of its Affiliates, to be in development):

(1) with respect to which Employee's work has been directly concerned at any time during the two (2) years preceding termination of employment with the Corporation or one of its Affiliates, or

(2) with respect to which during that period of time Employee, as a consequence of Employee's job performance and duties, acquired knowledge of trade secrets or other confidential information of the Corporation or its Affiliates.

(ii) For purposes of the provisions of paragraph 3(b), it shall be conclusively presumed that Employee has knowledge of information he or she was directly exposed to through actual receipt or review of memos or documents containing such information, or through actual attendance at meetings at which such information was discussed or disclosed.

(iii) All Shares subject to the restrictions imposed by paragraph 2 above shall be forfeited and returned to the Corporation, if Employee engages in any conduct agreed to be avoided pursuant to the provisions of paragraph 3(b) at any time within two (2) years following the date of Employee's termination of employment with the Corporation or any of its Affiliates.

(iv) If, at any time within two (2) years following the date of Employee's termination of employment with the Corporation or any of its Affiliates, Employee engages in any conduct agreed to be avoided pursuant to the provisions of paragraph 3(b), then all consideration (without regard to tax effects) received directly or indirectly by Employee from the sale or other disposition of all Earned Shares earned within two (2) years prior to termination of employment shall be paid by Employee to the Corporation, or such Earned Shares shall be returned to the Corporation. Employee consents to the deduction from any amounts the Corporation or any of its Affiliates owes to Employee to the extent of the amounts Employee owes the Corporation hereunder.

(c) MISCONDUCT. Unless a Change of Control shall have occurred after the date hereof:

(i) All consideration (without regard to tax effects) received directly or indirectly by Employee from the sale or other disposition of the Earned Shares shall be paid by Employee to the Corporation, or such Earned Shares shall be returned to the Corporation, if the Corporation reasonably determines that during Employee's employment with the Corporation or any of its Affiliates:

(1) Employee knowingly participated in misconduct that causes a misstatement of the financial statements of Viad or any of its Affiliates or misconduct which represents a material violation of any code of ethics of the Corporation applicable to Employee or of the Always Honest compliance program or similar program of the Corporation; or

(2) Employee was aware of and failed to report, as required by any code of ethics of the Corporation applicable to Employee or by the Always Honest compliance program or similar program of the Corporation, misconduct that causes a misstatement of the financial statements of Viad or any of its Affiliates or misconduct which represents a material knowing violation of any code of ethics of the Corporation applicable to Employee or of the Always Honest compliance program or similar program of the Corporation.

(ii) Employee consents to the deduction from any amounts the Corporation or any of its Affiliates owes to Employee to the extent of the amounts Employee owes the Corporation hereunder.

(PBRs)2

(d) **ACTS CONTRARY TO CORPORATION.** Unless a Change of Control shall have occurred after the date hereof, if the Corporation reasonably determines that at any time within two (2) years after the lapse of the last Restriction Period Employee has acted significantly contrary to the best interests of the Corporation, including, but not limited to, any direct or indirect intentional disparagement of the Corporation, then all consideration (without regard to tax effects) received directly or indirectly by Employee from the sale or other disposition of all Earned Shares earned during the two (2) year period prior to the Corporation's determination shall be paid by Employee to the Corporation, or such Earned Shares shall be returned to the Corporation. Employee consents to the deduction from any amounts the Corporation or any of its Affiliates owes to Employee to the extent of the amounts Employee owes the Corporation hereunder.

(e) The Corporation's reasonable determination required under Sections 3(c)(i) and 3(d) shall be made by the Human Resources Committee of the Corporation's Board of Directors, in the case of executive officers of the Corporation, and by the Chief Executive Officer and Corporate Compliance Officer of the Corporation, in the case of all other officers and employees.

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 85004-4545.

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

(PBRs)3

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-Based Restricted Stock Agreement to be duly executed.

Dated: March 30, 2004

VIAD CORP

By: _____

ROBERT H. BOHANNON
Chairman, President and
Chief Executive Officer

ATTEST:

General Counsel or Assistant Secretary

THIS PERFORMANCE-BASED RESTRICTED STOCK AGREEMENT SHALL BE EFFECTIVE ONLY UPON EXECUTION BY EMPLOYEE AND DELIVERY TO AND RECEIPT BY THE CORPORATION.

ACCEPTED:

Employee

(PBR)4

EXHIBIT 10.D3

**VIAD CORP
1997 OMNIBUS INCENTIVE PLAN
RESTRICTED STOCK AGREEMENT
AS AMENDED AUGUST 13, 2004**

Shares of Restricted Stock are hereby awarded by Viad Corp (Corporation), a Delaware corporation, effective _____, 2004, 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 commencing on the effective date hereof (Commencement Date) and terminating 3 years thereafter (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 and full ownership of Shares will vest at the end of the Restriction Period, subject to forfeiture pursuant to paragraph 3.

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. FORFEITURE AND REPAYMENT PROVISIONS.

(a) **TERMINATION OF EMPLOYMENT.** Except as provided in this paragraph 3 and in paragraph 8 below or as otherwise may be determined by the Board, if the Employee ceases to be an Employee of the Corporation or any of its Affiliates (as defined in the Plan) for any reason, 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 is terminated by the Corporation or any of its Affiliates for any reason (other than for Cause, as defined in the Plan, or for failure to meet performance expectations, as determined by the Chief Executive Officer of the Corporation), or if the Employee ceases to be an employee of the Corporation or any of its Affiliates 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 Restriction Period as set forth in paragraph 2. If the Employee ceases to be an employee of the Corporation or any of its Affiliates by reason of normal or early retirement, full ownership of the Shares will occur upon lapse of the Restriction Period 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 by the Corporation or any of its Affiliates from the Commencement Date through the date the Employee ceases to be an employee of the Corporation or any of its Affiliates.

(b) **NON-COMPETE.** Unless a Change of Control (as defined in the Plan) shall have occurred after the date hereof:

(i) In order to better protect the goodwill of the Corporation and its Affiliates and to prevent the disclosure of the Corporation's or its Affiliates' trade secrets and confidential information and thereby help insure the long-term success of the business, Employee, without prior written consent of the Corporation, will not engage in any activity or provide any services, whether as a director, manager, supervisor, employee, adviser, agent, consultant, owner of more than five (5) percent of any enterprise or otherwise, for a period of two (2) years following the date of Employee's termination of employment with the Corporation or any of its Affiliates, in connection with the manufacture, development, advertising, promotion, design, or sale of any service or product which is the same as or similar to or competitive with any services or products of the Corporation or its Affiliates (including both existing services or products as well as services or products known to the Employee, as a consequence of Employee's employment with the Corporation or one of its Affiliates, to be in development):

(RS)1

(1) with respect to which Employee's work has been directly concerned at any time during the two (2) years preceding termination of employment with the Corporation or one of its Affiliates, or

(2) with respect to which during that period of time Employee, as a consequence of Employee's job performance and duties, acquired knowledge of trade secrets or other confidential information of the Corporation or its Affiliates.

(ii) For purposes of the provisions of paragraph 3(b), it shall be conclusively presumed that Employee has knowledge of information he or she was directly exposed to through actual receipt or review of memos or documents containing such information, or through actual attendance at meetings at which such information was discussed or disclosed.

(iii) All Shares subject to the restrictions imposed by paragraph 2 above shall be forfeited and returned to the Corporation, if Employee engages in any conduct agreed to be avoided pursuant to the provisions of paragraph 3(b) at any time within two (2) years following the date of Employee's termination of employment with the Corporation or any of its Affiliates.

(iv) If, at any time within two (2) years following the date of Employee's termination of employment with the Corporation or any of its Affiliates, Employee engages in any conduct agreed to be avoided pursuant to the provisions of paragraph 3(b), then all consideration (without regard to tax effects) received directly or indirectly by Employee from the sale or other disposition of all Shares which vest during the two (2) year period prior to Employee's termination from employment shall be paid by Employee to the Corporation, or such Shares shall be returned to the Corporation. Employee consents to the deduction from any amounts the Corporation or any of its Affiliates owes to Employee to the extent of the amounts Employee owes the Corporation hereunder.

(c) MISCONDUCT. Unless a Change of Control shall have occurred after the date hereof:

(i) All consideration (without regard to tax effects) received directly or indirectly by Employee from the sale or other disposition of the Shares shall be paid by Employee to the Corporation or such Shares shall be returned to the Corporation, if the Corporation reasonably determines that during Employee's employment with the Corporation or any of its Affiliates:

(1) Employee knowingly participated in misconduct that causes a misstatement of the financial statements of Viad or any of its Affiliates or misconduct which represents a material violation of any code of ethics of the Corporation applicable to Employee or of the Always Honest compliance program or similar program of the Corporation; or

(2) Employee was aware of and failed to report, as required by any code of ethics of the Corporation applicable to Employee or by the Always Honest compliance program or similar program of the Corporation, misconduct that causes a misstatement of the financial statements of Viad or any of its Affiliates or misconduct which represents a material knowing violation of any code of ethics of the Corporation applicable to Employee or of the Always Honest compliance program or similar program of the Corporation.

(ii) Employee consents to the deduction from any amounts the Corporation or any of its Affiliates owes to Employee to the extent of the amounts Employee owes the Corporation under this paragraph 3(c).

(d) ACTS CONTRARY TO CORPORATION. Unless a Change of Control shall have occurred after the date hereof, if the Corporation reasonably determines that at any time within two (2) years after the lapse of the Restriction Period Employee has acted significantly contrary to the best interests of the Corporation, including, but not limited to, any direct or indirect intentional disparagement of the Corporation, then all consideration (without regard to tax effects) received directly or indirectly by Employee from the sale or other disposition of all Shares which vest during the two (2) year period prior to the Corporation's determination shall be paid by Employee to the Corporation, or such Shares shall be returned to the Corporation. Employee consents to the deduction from any amounts the Corporation or any of its Affiliates owes to Employee to the extent of the amounts Employee owes the Corporation under this paragraph 3(d).

(e) The Corporation's reasonable determination required under Sections 3(c)(i) and 3(d) shall be made by the Human Resources Committee of the Corporation's Board of Directors, in the case of executive officers of the

Corporation, and by the Chief Executive Officer and Corporate Compliance Officer of the Corporation, in the case of all other officers and employees.

4. **CERTIFICATES FOR THE SHARES.** The Corporation shall issue a certificate in respect of the Shares in the name of the Employee, the number of Shares of which shall equal the amount of the award specified herein, and shall hold 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. The 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 85004-4545.

The Employee further agrees that simultaneously with his or her acceptance of this Agreement, he or she shall 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 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 will 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 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.

(RS)3

Dated: _____, 2004

VIAD CORP

By: _____

ROBERT H. BOHANNON
Chairman, President and
Chief Executive Officer

ATTEST:

Vice President - General Counsel
or Assistant Secretary

THIS RESTRICTED STOCK AGREEMENT SHALL BE EFFECTIVE ONLY UPON EXECUTION BY EMPLOYEE AND DELIVERY TO AND RECEIPT BY THE CORPORATION.

ACCEPTED:

Employee

(RS)4

CERTIFICATION

I, Robert H. Bohannon, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Viad Corp;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2004

By /s/ Robert H. Bohannon

Robert H. Bohannon
Chairman of the Board, President
and Chief Executive Officer

CERTIFICATION

I, Ellen M. Ingersoll, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Viad Corp;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2004

By /s/ Ellen M. Ingersoll

Ellen M. Ingersoll
Chief Financial Officer

**Certification Pursuant To
18 U.S.C. Section 1350,
As Adopted Pursuant To
Section 906 of the Sarbanes-Oxley Act of 2002**

I, Robert H. Bohannon, Chief Executive Officer of Viad Corp, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. the quarterly report on Form 10-Q of Viad Corp for the fiscal quarter ended September 30, 2004 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Viad Corp.

Date: November 5, 2004

By /s/ Robert H. Bohannon

Robert H. Bohannon
Chief Executive Officer

**Certification Pursuant To
18 U.S.C. Section 1350,
As Adopted Pursuant To
Section 906 of the Sarbanes-Oxley Act of 2002**

I, Ellen M. Ingersoll, Chief Financial Officer of Viad Corp, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. the quarterly report on Form 10-Q of Viad Corp for the fiscal quarter ended September 30, 2004 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Viad Corp.

Date: November 5, 2004

By /s/ Ellen M. Ingersoll

Ellen M. Ingersoll
Chief Financial Officer