

VIAD CORP
Form PRE 14A
March 29, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A

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

Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

VIAD CORP

(Name of Registrant as Specified In Its Charter)

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(4) Date Filed:

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VIAD CORP

1850 North Central Avenue, Suite 1900

Phoenix, Arizona 85004-4565

April [], 2012

Dear Fellow Viad Corp Shareholder:

We look forward to your attendance in person or by proxy at the 2012 Annual Meeting of Shareholders of Viad Corp. We will hold the meeting on Tuesday, May 15, 2012, at 9:00 a.m. at The Phoenician, 6000 East Camelback Road, Scottsdale, Arizona 85251, in Ballroom A. The formal notice of the meeting is attached. No admission tickets or other credentials will be required for attendance at the meeting. You may use the hotel's free valet parking.

Directors and officers will be available at the meeting to speak with you. There will be an opportunity during the meeting for your questions regarding the affairs of the Company and for a discussion of the business to be considered at the meeting, as explained in the notice and proxy statement.

The agenda for this year's annual meeting includes the following items:

Agenda Item	Board Recommendation
Election of Directors	FOR
Ratification of Deloitte & Touche LLP as our independent registered public accountants	FOR
Advisory vote on executive compensation	FOR
Approval of material terms of the performance goals of the 2007 Viad Corp Omnibus Incentive Plan	FOR
Approval of the Amended and Restated Rights Agreement	FOR

We want to briefly call your attention to our proposal for approval of the Amended and Restated Rights Agreement, which is commonly referred to as a shareholder rights plan. Our Board of Directors unanimously recommends that you vote **FOR** approval of the shareholder rights plan at the annual meeting. As you may know, our shareholder rights plan was adopted in February 2002 and was scheduled to expire on February 28, 2012. As the expiration date approached, our Board determined that maintaining a shareholder rights plan is in the best interests of the Company and our shareholders. Accordingly, on February 28, 2012, we amended the shareholder rights plan in its entirety and extended its expiration date, subject to binding shareholder approval. If shareholders do not approve the amended shareholder rights plan by February 28, 2013, it will terminate on that date; otherwise, it will terminate on February 28, 2015, unless the underlying rights are earlier redeemed or exchanged (as described in the attached proxy statement).

The amended shareholder rights plan was designed to assist our Board to enable all shareholders to realize the long-term value of their investment, to ensure that all shareholders receive fair and equal treatment in the event of any proposed takeover and to protect Viad and its shareholders from abusive takeover tactics.

It is important to note that the amendment to our shareholder rights plan was not adopted in response to any specific takeover proposal, but in response to the general takeover environment and the fact that 19.56% of our shares of common stock are held by one shareholder and its affiliates, based on the shareholder's recent filing with the Securities and Exchange Commission (as described in the attached proxy statement).

Additional detailed information on the amended shareholder rights plan and each of the other proposals included on the agenda for the annual meeting are provided in the attached proxy statement.

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Your vote is important, and we urge you to cast your vote promptly. Whether you plan to attend the meeting or not, please sign, date and return the enclosed proxy card in the envelope provided, or you may vote your shares by telephone or the Internet as described on your proxy card. If you plan to attend the meeting, you may vote in person.

Thank you for your continued support of Viad Corp.

Sincerely,

Paul B. Dykstra
Chairman, President and Chief Executive Officer

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VIAD CORP

1850 North Central Avenue, Suite 1900

Phoenix, Arizona 85004-4565

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

AND AVAILABILITY OF PROXY MATERIALS

April [], 2012

To Viad Corp Shareholders:

We will hold the Annual Meeting of Shareholders of Viad Corp, a Delaware corporation, at The Phoenician, 6000 East Camelback Road, Scottsdale, Arizona 85251, in Ballroom A, on Tuesday, May 15, 2012, at 9:00 a.m., Mountain Standard Time. No admission tickets or other credentials will be required for attendance at the meeting. You may use the hotel's free valet parking. The purposes of the meeting are to:

1. Elect three directors to Viad's Board of Directors, each for a three-year term;
2. Ratify the appointment of Deloitte & Touche LLP as our independent registered public accountants for 2012;
3. Approve, in an advisory vote, the compensation of Viad's named executive officers;
4. Approve material terms of the performance goals of the 2007 Viad Corp Omnibus Incentive Plan;
5. Approve the Amended and Restated Rights Agreement; and
6. Consider any other matters which may properly come before the meeting and any adjournments.

The foregoing items of business are more fully described in the proxy statement accompanying this notice. Our 2011 Annual Report, including financial statements, is included with your proxy materials. Only shareholders of record of common stock at the close of business on March 28, 2012, are entitled to receive this notice and to vote at the meeting. A list of shareholders entitled to vote will be available at the meeting for examination by any shareholder for any proper purpose. The list will also be available on the same basis for 10 days prior to the meeting at Viad's principal executive offices at the address listed above. To assure your representation at the meeting, please vote your shares by telephone, the Internet or by signing, dating and returning the enclosed proxy card at your earliest convenience. The Internet and automated telephone voting features are described on the proxy card. We have enclosed a return envelope, which requires no postage if mailed in the United States, if you choose to mail your proxy. Your proxy is being solicited by the Board of Directors.

By Order of the Board of Directors

DEBORAH J. DEPAOLI

General Counsel and Secretary

Important Notice Regarding the Availability of Proxy Materials for Shareholder Meeting

To Be Held on May 15, 2012:

The 2012 Proxy Statement and 2011 Annual Report are available at viad.investorroom.com/proxy_notices

(or go to www.viad.com and then click onto the link 2012 Annual Meeting Proxy Materials).

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APPENDIX A (2007 VIAD CORP OMNIBUS INCENTIVE PLAN)

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APPENDIX B (AMENDED AND RESTATED RIGHTS AGREEMENT)

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VIAD CORP

1850 North Central Avenue, Suite 1900

Phoenix, Arizona 85004-4565

PROXY STATEMENT

GENERAL INFORMATION ABOUT THE MEETING

Viad Corp 2012	Tuesday, May 15, 2012	The Phoenician
Annual Meeting	9:00 a.m., Mountain Standard Time	6000 East Camelback Road
		Scottsdale, Arizona 85251

- Agenda**
1. Elect three directors.

 2. Ratify the appointment of Deloitte & Touche LLP as our independent registered public accountants (also referred to as independent auditors) for 2012.

 3. Hold an advisory vote on the compensation of Viad s named executive officers.

 4. Approve material terms of the performance goals of the 2007 Viad Corp Omnibus Incentive Plan.

 5. Approve the Amended and Restated Rights Agreement.

 6. Any other proper business.

Proxies Solicited By Board of Directors of Viad Corp.

First Mailing Date We anticipate mailing the proxy statement on April [], 2012.

Record Date March 28, 2012. On the record date, we had 20,256,575 shares of our common stock outstanding.

Voting If you were a holder of common stock on the record date, you may vote at the meeting. Each share held by you is entitled to one vote. You can vote in person at the meeting, by the Internet, by automated telephone voting, or by proxy.

Proxies We will vote signed returned proxies FOR the Board s director nominees, FOR the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accountants for 2012, FOR the approval of the compensation of Viad s named executive officers, FOR the approval of the material terms of the performance

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goals of the 2007 Viad Corp Omnibus Incentive Plan and FOR the approval of the Amended and Restated Rights Agreement, unless you vote differently on the proxy card. The proxy holders will use their discretion on other matters. If a nominee cannot or will not serve as a director, proxy holders will vote for a person whom they believe will carry on our present policies.

Revoking Your Proxy You may revoke your proxy before it is voted at the meeting. To revoke your proxy, follow the procedures listed under the Voting Procedures/Revoking Your Proxy section of this proxy statement.

Your Comments Your comments about any aspect of our business are welcome. Although we may not respond on an individual basis, your comments receive consideration and help us measure your satisfaction.

Prompt return of your proxy will help reduce the costs of resolicitation.

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PROPOSAL 1: ELECTION OF DIRECTORS

Introduction

Upon the recommendation of the Corporate Governance and Nominating Committee, the Board of Directors (the Board of Directors or the Board) of Viad Corp (Viad, we or the Company) has nominated the three persons listed below to serve as directors. Each of the director nominees proposed for election at this year's annual meeting are independent directors within the meaning of the New York Stock Exchange listing standards, applicable Securities and Exchange Commission (SEC) regulations and Viad's Corporate Governance Guidelines.

Majority Vote Standard for Election of Directors

For uncontested elections of directors, Viad's Bylaws (the Bylaws) provide that the vote standard is a majority of votes cast, which means that the number of shares voted for a director nominee must exceed the number of votes cast against that director nominee. The Bylaws further provide that if a nominee who already serves as a director is not elected by a majority vote, then the director will be obligated to tender his or her resignation to the Board. The Corporate Governance and Nominating Committee of the Board will make a recommendation to the Board on whether to accept or reject the resignation, or whether other action should be taken. The Board will be required to publicly disclose its decision and the rationale behind it within 90 days of the certification of the election results. The director who tenders his or her resignation will not participate in the Board's decision. In contested elections where the number of nominees exceeds the number of directors to be elected, the Bylaws provide for a plurality vote standard. If a nominee, who was not already serving as a director, is not elected at the annual meeting, the Bylaws provide that the nominee would not become a director.

Skills, Qualifications and Experience of Viad's Directors

While Viad's directors have many individual qualifications, our Board believes that certain specific qualifications are common to all of Viad's directors, and these qualifications (as well as others) led the Board to conclude that each director listed below under the Director Nominees and Directors Continuing in Office sections should serve on the Board. These qualifications include:

Highest ethical standards and integrity;

Willingness to act on and be accountable for Board decisions;

Ability to provide informed and thoughtful counsel to top management on a range of issues;

History of achievement that reflects superior standards for himself/herself and others;

Loyalty and commitment to driving the success of Viad;

Willingness to ask questions and pursue answers;

Ability to take tough positions while at the same time work as a team player;

Willingness to devote sufficient time to carrying out his/her duties and responsibilities effectively as a Board member, and commitment to serve on the Board for an extended period of time;

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Adequate time to spend learning the businesses of Viad; and

Individual background that provides a portfolio of experience, knowledge and personal attributes commensurate with Viad's needs.

Board Structure

Our Board consists of 10 persons divided into three classes or groups. The term of one class of directors expires at each annual meeting, and nominees are elected to that class for a term of three years. Three directors are proposed for election at this year's annual meeting.

Director Nominees

Our Board of Directors has nominated Daniel Boggan Jr., Richard H. Dozer and Robert E. Munzenrider for election at the 2012 Annual Meeting of Shareholders. These nominees are currently members of the Board of Directors and, if elected, have agreed to serve another term, which will expire in 2015. Information about the director nominees is presented below.

Daniel Boggan Jr.

Mr. Boggan is a retired Senior Vice President and Chief Operating Officer of the National Collegiate Athletic Association (NCAA), a voluntary organization which governs college and university athletic programs, from 1996 through his retirement in August 2003. He was Chief of Staff, Office of the Mayor, Oakland, California from January 2007 to August 2007, and prior

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thereto, Vice President-Business Development for Siebert Brandford Shank & Co., L.L.C., a municipal finance firm which provides investment banking, sales and trading and financial advisory services, from October 2005 until March 2006. From 2003 to 2005, Mr. Boggan served as a consultant for Siebert Brandford Shank & Co., L.L.C. Mr. Boggan is also a trustee of The California Endowment, currently serving as Chair of the Investment and Finance Committee and formerly serving as Chairman of the Board from 2008 to 2010. He served as a trustee of Albion College from 1993 to 2011. He also has served as the President of the Board of Alameda County Medical Center from 2010 to present and is a director of Collective Brands, Inc. and The Clorox Company. Mr. Boggan has specific knowledge regarding the marketing industry, sales and the industries specific to Viad. Age 66. Director since 2005.

Richard H. Dozer

Mr. Dozer is Chairman-Phoenix Office of GenSpring Family Offices, a wealth management firm for ultra high net worth families, a position he has held since 2008. He also serves as Treasurer of the Greater Phoenix Convention and Visitors Bureau. Prior thereto, Mr. Dozer was co-founder and a managing partner of CDK Partners, a real estate development and investment company, from 2006 to 2008. Mr. Dozer was President of the Arizona Diamondbacks, a major league baseball franchise, from its inception in 1995 until 2006, and prior thereto, was the Vice President and Chief Operating Officer of the Phoenix Suns, an NBA professional basketball franchise, from 1987 to 1995, as well as President of the US Airways Center arena (formerly, America West Arena) from 1989 to 1995. Mr. Dozer's leadership positions with the Arizona Diamondbacks, Phoenix Suns and US Airways Center provided him with skills and experience related to operations, sales and other areas related to Viad's specific industries, including marketing, corporate events and branded events. Mr. Dozer also has financial experience, which he acquired from his audit manager position and other positions he held with Arthur Andersen from 1979 to 1987, during which time he held a CPA license. Mr. Dozer is a director and Audit Committee Chairman of Swift Transportation Company, a public company, a director of Blue Cross Blue Shield of Arizona, and a director and Audit Committee member of Apollo Group, Inc., a public company. He previously served as a director of Stratford American Corporation from 1998 to 2006. Age 55. Director since 2008.

Robert E. Munzenrider

Mr. Munzenrider is Founder or Co-Founder of several E-Commerce Businesses, and is a retired President of Harmon AutoGlass, a subsidiary of Apogee Enterprises, Inc., a national chain of retail automotive services and insurance claims processor, a position he held from 2000 to 2002. In 1999, Mr. Munzenrider served as Vice President and Chief Financial Officer of the Glass Services Segment of Apogee Enterprises. He also served during part of 1999 as Executive Vice President and Chief Financial Officer of Eliance Corp., an e-commerce transaction processor. From 1997 to 1998, Mr. Munzenrider served as Vice President and Chief Financial Officer of St. Jude Medical, Inc., an international medical device manufacturing and marketing company. Mr. Munzenrider has a strong finance and accounting background, holding his CPA license since 1971 and serving in the position of Chief Financial Officer for a majority of his professional career. In addition, he has a historical familiarity with Viad operations, as he was the Chief Financial Officer of three of Viad's former operating companies from 1982 to 1997. Mr. Munzenrider is a director of Angeion Corp and Kips Bay Medical, Inc., and previously served as a director of Criticare Systems, Inc., ATS Medical, Inc. and CABG Medical, Inc. Age 67. Director since 2004.

Recommendation of the Board

The Board of Directors recommends that you vote **FOR** these director nominees.

Directors Continuing in Office

Information about the seven directors continuing in office until expiration of their designated terms is presented below.

For Terms Expiring at the 2013 Annual Meeting:

Isabella Cunningham

Dr. Cunningham is an Ernest A. Sharpe Centennial Professor in Communication at The University of Texas at Austin, where she has worked since 1983. She has been the Chair of the Department of Advertising and a

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Professor of Advertising at the university since 2001 and 1981, respectively, and serves as a member of many university and community organizations. Dr. Cunningham has extensive knowledge and expertise regarding the marketing industry, including the face-to-face marketing space in which Viad competes, and has been published extensively in the area of business and marketing. She has broad international business exposure and holds a Doctor of

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Jurisprudence degree and a Masters in Business Administration degree from two Brazilian universities. Dr. Cunningham acquired executive management experience during her service on the boards of directors of Cornell Companies, Inc. (2005 to 2006), Dupont Photomasks, Inc. (2001 to 2005) and other for-profit companies and non-profit organizations. Age 69. Director since 2005.

Jess Hay

Mr. Hay is a retired Chairman and Chief Executive Officer of Lomas Financial Corporation, formerly a diversified financial services company engaged principally in mortgage banking, retail banking, commercial leasing and real estate lending, and of Lomas Mortgage USA, a mortgage banking institution, from which he retired in December 1994. Since 1987, Mr. Hay has been Chairman of the Texas Foundation for Higher Education, a non-profit organization dedicated to promoting higher education in the State of Texas. His tenure as Chairman and Chief Executive Officer of Lomas Financial Corporation and his service with five different corporations listed on the New York Stock Exchange provided Mr. Hay with extensive knowledge experience of all of the major functions within the operations of a public company. He is also a director of Hilltop Holdings, Inc., and previously served as a director of Exxon Mobil from 1982 to 2001, SBC Communications (now AT&T) from 1985 to 2004, Trinity Industries, Inc. from 1965 to 2011; M. Corp. from 1976 to 1988 and MoneyGram International, Inc. from June 30, 2004 to June 2010. Mr. Hay's time serving on these boards has allowed him to become familiar with both international and domestic business operations. His prior active involvement as a member and National Finance Chairman of the Democratic National Committee also provides him with exposure to the political processes on the national, state and local levels. Age 81. Director since 1981.

Albert M. Teplin

Dr. Teplin is a retired Senior Economist for the Board of Governors of the Federal Reserve System, where he served in that position from 2001 to October 2002 and as Chief, Flow of Funds Section from 1989 to 2001. Dr. Teplin has broad experience analyzing economic trends and their application to business practices and government policies. His background also provides him with an ability to understand and evaluate technical financial matters pertaining to mergers, acquisitions and other significant business decisions. He was previously a director of MoneyGram International, Inc. from 2004 to 2010 and Audit Committee Chair of that company from 2008 to 2010. Age 66. Director since 2003.

For Terms Expiring at the 2014 Annual Meeting:

Wayne G. Allcott

Mr. Allcott was Vice President-Arizona of U S West Corporation, a former local and long distance telecommunications and high-speed data transmission services company, from 1995 to 2000, at which time he retired in connection with the merger of that company with Qwest Corporation. In 2000, Mr. Allcott was appointed for a two-year term by the Governor of Arizona to chair the Governor's Council on Workforce Development Policy. During his 35-year career with U S West, Mr. Allcott held a variety of assignments in marketing, customer services, operations and public policy. He is currently active with various non-profit organizations in Arizona. Age 69. Director since 2004.

Paul B. Dykstra

Mr. Dykstra has served as Chairman, President and Chief Executive Officer, of Viad since April 1, 2008, President and Chief Executive Officer of Viad since April 1, 2006 and Chief Operating Officer of Viad since January 2006. Prior thereto, Mr. Dykstra was President and Chief Executive Officer of Global Experience Specialists, Inc. (GES), a subsidiary of Viad, since 2000 and Executive Vice President-International and Corporate Development of GES since 1999. He served as Executive Vice President-General Manager and in other similar executive positions with Travelers Express Company, Inc., a former subsidiary of Viad, from 1994 to 1999. Through his many executive management positions held with Viad's businesses, Mr. Dykstra has developed substantial experience in corporate strategy, operations, commercial development and sales, accounting and finance. Age 50. Director since 2006.

Robert C. Krueger

Mr. Krueger is a former U.S. Congressman, U.S. Senator, U.S. Ambassador-at-Large and Coordinator for Mexican Affairs, U.S. Ambassador (Burundi and Botswana), Special Representative of U.S. Secretary of

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State to Southern African Development Community and Duke University professor and dean. Mr. Krueger is currently a public speaker, a consultant for businesses engaged in international trade and Visiting Professor at Texas Tech University (Lubbock). Mr. Krueger has extensive international experience and became familiar with Viad's operations during his tenure as a Viad director from 2002 until the June 2004 spin-off of MoneyGram International, Inc., where he served as a director from 2004 to 2008. Age 76. Director since 2008.

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Margaret E. Pederson

Ms. Pederson has served as the President of Amirexx LLC, a consulting firm focused on exhibitions, conferences, events and media, since 2008; and Managing Director, Golden Seeds Fund LP, an investment group that is dedicated to investing in early and growth stage companies founded and/or led by women, since 2010. Ms. Pederson served as Chairman of the Board, International Association of Exhibitions and Events, an international association representing those who plan, produce and service exhibitions, conferences and proprietary corporate events, from 2008 to 2009. She also served as President, Penton Exhibitions group of Penton Media, Inc., an exhibition and conference organizer, from 1999 to 2008. Ms. Pederson has extensive industry experience and knowledge concerning the industries in which Viad's Marketing & Events Group competes. She also has substantial experience in international business. Age 57. Director since 2011.

THE BOARD OF DIRECTORS AND ITS COMMITTEES**Corporate Governance**

In accordance with applicable laws and the Bylaws, the business and affairs of Viad are governed under the direction of the Board of Directors. The system of governance practices the Company follows is set forth in its Corporate Governance Guidelines (the "Corporate Governance Guidelines") and in the charters of each of the committees of the Board of Directors. The Corporate Governance Guidelines set forth the practices our Board will follow with respect to its duties, operations, committee matters, director qualifications and selection process, director compensation, director independence, director orientation and continuing education, chief executive officer evaluation, management succession and annual Board and committee evaluation. The Corporate Governance Guidelines and committee charters are reviewed periodically to ensure the effective and efficient governance of Viad and compliance in a timely manner with all laws and the listing standards of the New York Stock Exchange (NYSE) that are applicable to corporate governance.

The Corporate Governance Guidelines and committee charters, as well as the Code of Ethics applicable to Viad's directors, officers and employees, may be viewed by selecting the "Corporate Governance" link on Viad's web site at www.viad.com/investors/. They are also available in print upon request to the Corporate Secretary of Viad at the address listed on the first page of this proxy statement.

Board Committees and Director Independence

Our Board maintains three standing committees to assist in fulfilling its responsibilities: the Audit Committee, the Corporate Governance and Nominating Committee and the Human Resources Committee. Each committee meets periodically during the year, reports regularly to the full Board and annually evaluates its performance. The table below provides current membership and meeting information for each committee. In addition, the table identifies the independent directors, as determined by our Board in February 2012, within the meaning of the NYSE listing standards, applicable SEC regulations and the Corporate Governance Guidelines. The Corporate Governance Guidelines include categorical standards for independence that meet or exceed the NYSE listing standards.

Name	Audit	Corporate Governance and Nominating	Human Resources	Independent Director
Mr. Allcott	Member	Member		Yes
Mr. Boggan		Member	Member	Yes
Dr. Cunningham		Member	Member	Yes
Mr. Dozer	Member		Member	Yes
Mr. Dykstra				No
Mr. Hay	Member		Chair	Yes
Mr. Krueger		Member		Yes
Mr. Munzenrider	Member	Chair		Yes
Ms. Pederson		Member		Yes
Dr. Teplin	Chair		Member	Yes
2011 Meetings	11	4	5	

The particular areas of responsibility of each Board committee and other related information are described below. Each committee may form and delegate authority to a subcommittee of one or more members of the committee.

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Audit Committee. The Audit Committee appoints Viad's independent registered public accountants and assists the Board in monitoring the quality and integrity of the financial statements of Viad, the compliance by Viad with legal and regulatory requirements and the independence and performance of Viad's internal auditors and external independent registered public accountants. The Committee conducts regularly scheduled executive sessions with individual members of

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Viad's management and with Viad's independent registered public accountants. The Committee has sole authority to appoint or replace Viad's independent registered public accountants. The independent registered public accountants report directly to the Committee. The Board has determined that all members of the Audit Committee are financially literate, as defined by NYSE listing standards, and that Mr. Munzenrider qualifies as an audit committee financial expert, as defined by SEC regulations.

Corporate Governance and Nominating Committee. The Corporate Governance and Nominating Committee proposes a slate of directors for election by the shareholders at each annual meeting and proposes candidates to fill any vacancies on the Board. The Committee is also responsible for an assessment of the Board's performance to be discussed with the full Board annually, and for review of, and from time to time for proposal of changes to, the Corporate Governance Guidelines and the compensation and benefits of non-employee directors. The Committee has sole authority to retain and/or terminate any search firm or compensation consultant to identify director candidates or to assist in the evaluation of director compensation.

Human Resources Committee. The Human Resources Committee oversees development and implementation of a compensation strategy designed to enhance profitability and shareholder value. The Committee also reviews and approves, subject to ratification by independent members of the Board, the salary and equity and incentive compensation of Viad's Chief Executive Officer (the CEO), approves salaries and compensation of other Viad executive officers and approves incentive compensation targets and awards under various compensation plans and programs of Viad. In addition, the Committee has sole authority to retain and/or terminate any compensation consultant to assist in the evaluation of the compensation of the CEO and other senior executives. The Committee also has authority to obtain advice and assistance from internal or external legal, accounting or other advisors. While the Corporate Governance and Nominating Committee has responsibility to review and make recommendations to the Board regarding non-employee director compensation and benefits, the Human Resources Committee has sole authority to approve grants of equity compensation to non-employee directors under the 2007 Viad Corp Omnibus Incentive Plan.

Aon Hewitt Associates, a nationally-known independent consulting firm, has been retained by the Human Resources Committee and Viad's Human Resources Department to provide services, advice and counsel on executive compensation and to serve as a technical resource for market data on executive and director compensation. Viad's Human Resources and Law Departments support the Committee in its work and in some cases act pursuant to delegated authority to fulfill various functions in administering Viad's compensation programs. The CEO makes a recommendation to the Committee on the compensation of other executive officers of Viad; however, the Committee has sole authority to approve, for the CEO and other executive officers, (a) the annual base salary level, (b) the annual incentive opportunity level and granting of incentive awards, (c) the long-term incentive opportunity level and granting of awards and (d) any special or supplemental benefits, with the salary, equity and incentive compensation of the CEO being subject to ratification by independent members of the Board.

Board Meetings and Annual Shareholder Meeting

Under Viad's Corporate Governance Guidelines, each director is expected to attend the Annual Meeting of Shareholders, Board meetings and meetings of committees on which they serve. The Board of Directors held four regular meetings and four special meetings during 2011. Each director who held office in 2011 attended 100% of his or her Board and committee meetings in 2011. All directors who held office in May 2011 were in attendance at the 2011 Annual Meeting of Shareholders.

Meetings of Non-Management Directors and Presiding Director

Our Board held four executive sessions of the independent, non-management directors in 2011. Regular executive sessions of the non-management directors have been scheduled for 2012. Mr. Hay has served as Presiding Director of Viad since May 17, 2005, and was designated by the Board to continue as Presiding Director for the period beginning January 1, 2011, and ending December 31, 2012, or until such other time as his successor is chosen by action of the non-management directors of Viad.

Board Leadership Structure

The Board combines the role of chairman of the board with the role of chief executive officer. The Board also has a presiding director, who is an experienced and long-tenured independent director. The Board believes this governance structure provides efficient and effective leadership for Viad. Having a single person lead both the Board and management fosters effective decision-making, enabling the definition of corporate strategies to be driven by a unified vision and supported by a clear path of accountability. Furthermore, Mr. Dykstra, Viad's Chairman and CEO, is receptive to input from the Board, and fosters frequent communication with members of the Board, as appropriate. The Board also believes that Viad has appropriate governance practices to ensure that the full Board maintains independent oversight, including:

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All directors on the Board are independent, except the CEO;

Executive sessions of the independent directors are held at regular meetings of the Board, and such meetings are chaired by the Presiding Director;

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An annual review of the performance of the CEO is conducted by the Human Resources Committee, whose members are all independent directors;

An annual review of the Board's performance is led by the Corporate Governance and Nominating Committee, whose members are all independent directors;

The process for selecting new directors is led by the Corporate Governance and Nominating Committee; and

Regular succession planning reviews are conducted by the Board for the positions of the CEO and his senior management team, as well as other significant management positions within Viad's operating companies. The Board periodically reviews interim (e.g., emergency-response) and long-term succession plans with a view toward providing for orderly transitions (in the cases of both planned and unplanned management changes) related to each of Viad's key executive positions.

Corporate Governance and Nominating and Human Resources Committees Interlocks and Insider Participation

Viad is not aware of any interlocking relationships between any member of the Human Resources Committee or Corporate Governance and Nominating Committee and any of Viad's executive officers that would require disclosure under the applicable rules promulgated under the U.S. federal securities laws.

Review and Approval of Transactions with Related Persons

In February 2007, the Board adopted a written policy and procedures for review, approval and monitoring of transactions involving the Company and related persons (including directors and executive officers or their immediate family members or shareholders and their immediate family members owning 5% or greater of the Company's outstanding stock). The policy applies to any transaction in which Viad or an operating company is a participant and any related person has a direct or indirect interest, excluding *de minimus* transactions of a commercial or other nature between a related person and Viad or one of its operating companies, as well as any compensation arrangements with executive officers or directors of Viad that have been approved or authorized by the Board or the Human Resources Committee.

The Corporate Governance and Nominating Committee is responsible for reviewing, approving and/or ratifying any transaction involving a related person. Management will bring the matter to the attention of the Corporate Governance and Nominating Committee and provide it with all material information with respect to related person transactions. A related person transaction must be approved in advance whenever practicable, otherwise it must be ratified as promptly as practicable; provided that if ratification is not forthcoming, management will make all reasonable efforts to cancel or annul the transaction. In determining whether to authorize, approve and/or ratify a related person transaction, the Committee considers all information that it determines is reasonable under the circumstances. Specifically, the Committee inquires into whether the transaction is fair and reasonable and whether the terms of the transaction are more or less favorable to Viad than terms Viad could obtain in a comparable arm's length transaction with an unrelated third party. A related person transaction will be submitted to the Committee for consideration at its next meeting or, in those instances in which the CEO determines that it is not practicable or desirable for Viad to wait until the next Committee meeting, to the Chairman of the Committee (who has the delegated authority to act between Committee meetings with respect to this policy). The Chairman of the Committee will report to the Committee at the next Committee meeting any approval under this policy pursuant to delegated authority. The Committee will annually review with management existing related person transactions, if any, and report annually to the Board, to ensure that such transactions are being pursued in accordance with understandings and commitments made at the time they were approved, that payments are being made appropriately and that such transactions continue to serve the interests of Viad.

Director Nominations

As provided in its charter, the Corporate Governance and Nominating Committee has established procedures for consideration of candidates for Board membership suggested by its members and other sources, including shareholders. The Committee has authority under its charter to employ a third-party search firm to assist it in identifying candidates for director. A shareholder who wishes to recommend a prospective nominee for the Board should notify Viad's Corporate Secretary in writing at the address listed on page 1 of this proxy statement. Any such recommendation should include:

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the name and address of the candidate;

a brief biographical description, including his or her occupation for at least the last five years, and a statement of the qualifications of the candidate, taking into account the qualification requirements set forth below; and

the candidate's signed consent to serve as a director if elected and to be named in the proxy statement.

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The Committee will review the qualifications of any person properly nominated by a shareholder in accordance with the Bylaws relating to shareholder proposals as described in the "Submission of Shareholder Proposals and Director Nominations" section of this proxy statement.

When the Corporate Governance and Nominating Committee reviews a potential nominee, it looks at the candidate's qualifications in light of the needs of our Board and Viad at that time given the then-current mix of director attributes. The Committee, in accordance with Viad's Corporate Governance Guidelines, assesses director nominees based on their qualification as independent, as well as consideration of diversity, skills and experience in the context of the current needs of our Board. The Committee does not have a specific policy on diversity. Director nominees also must have common qualities expected of all Viad directors, including high personal and professional ethics, integrity and values, and a commitment to representing the long-term interests of shareholders. The Committee also ensures that the members of the Board, as a group, maintain the requisite qualifications under the listing standards of the NYSE for populating the Audit, Human Resources and Corporate Governance and Nominating Committees.

Viad will deliver a questionnaire to a director candidate properly nominated by a shareholder addressing the candidate's independence, qualifications and other information that would assist the Corporate Governance and Nominating Committee in evaluating the candidate, as well as certain information that must be disclosed about the candidate in Viad's proxy statement, if nominated by the Committee. In accordance with the Bylaws, a director candidate is required to provide responses to Viad's director candidate questionnaire related to background, qualification, conflicts of interest and director independence. In addition, the director candidate questionnaire includes a representation and agreement to be signed by the director candidate as to his or her independence and the lack of conflicts of interest.

Communication with Board of Directors

Interested parties may communicate directly with non-management directors, including the Presiding Director, and/or with the Board by writing to the following address: Viad Corp, 1850 North Central Avenue, Suite 1900, Phoenix, Arizona 85004-4565, Attention: Corporate Secretary. All communications will be delivered to the non-management directors or the Board, as the case may be, no later than the Board's next regularly scheduled meeting.

Risk Oversight

Management is responsible for assessing and managing the Company's various exposures to risk, including the adoption of risk management controls, policies and procedures. Our Board oversees the management of the Company's risk exposures by the Company's management. Our Board has delegated to the Audit Committee, as reflected in its charter, responsibility for discussing with Viad's management the major financial risk exposures of Viad and the steps management has taken to monitor and control such exposures, including Viad's risk assessment and risk management policies. Annually, Viad conducts a risk assessment to identify, evaluate and prioritize potential business risks. As a part of this business risk assessment, a financial statement risk assessment and materiality analysis is conducted, including evaluating potential fraud schemes and scenarios that might affect Viad. The risk assessment includes an evaluation of the significance of the risks, the likelihood of occurrence, the risk remaining after application of management controls and actions necessary to mitigate risk exposure. Management presents a report on the results of the annual risk assessment during a regularly scheduled meeting of the Audit Committee, typically its May meeting. Prior to the meeting, a written report of the results of the assessment is provided to all members of our Board. All members of the Board are invited to attend the Audit Committee meeting, and all members of the Board were present at the May 2011 meeting when the results of the 2011 assessment were discussed. Thereafter, at the meeting of the Board, the Chairman of the Audit Committee provides a summary report to the Board regarding the results of the assessment and the Audit Committee's discussions concerning the results. Management continuously monitors the Company's risks throughout the year.

Director Compensation Table

Each non-employee director receives compensation for service on our Board and any of its committees. Directors who are also officers or employees of Viad do not receive any special or additional remuneration for service on the Board and do not serve on any of its committees. Mr. Dykstra is the only officer-director serving on our Board.

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The following table provides the compensation of the directors in 2011, other than Mr. Dykstra, whose compensation is disclosed in the Summary Compensation Table provided in this proxy statement. The dollar figures presented below in column (c), Stock Awards, of the Table represent the grant date fair value of the 2011 stock awards, which may not reflect the actual value to be realized by the director as economic and market risks associated with stock awards can affect the actual value realized. The actual value realized by the director for the stock will not be determined until time of vesting, or in the case of option awards, until the exercise of the option.

Name (a)	Fees Earned Or Paid in Cash ¹ (\$) (b)	Stock Awards ² (\$) (c)	Option Awards ³ (\$) (d)	Non-Equity Incentive Plan Compensation (\$) (e)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$) (f)	All Other Compensation ⁴ (\$) (g)	Total (\$) (h)
Mr. Allcott	65,300	75,933	--	--	--	6,704	147,937
Mr. Boggan	56,300	75,933	--	--	--	6,704	138,937
Dr. Cunningham	56,300	75,933	--	--	--	1,704	133,937
Mr. Dozer	66,800	75,933	--	--	--	5,067	147,800
Mr. Dykstra ⁵	--	--	--	--	--	--	--
Mr. Hay	96,800	75,933	--	--	--	6,643	179,376
Mr. Krueger	48,800	75,933	--	--	--	1,760	126,493
Mr. Munzenrider	70,300	75,933	--	--	--	2,643	148,876
Ms. Pederson	18,483	37,989	--	--	--	208	56,680
Dr. Teplin	76,800	75,933	--	--	--	1,704	154,437

¹ In 2011, non-employee directors received an annual retainer of \$30,000. Effective January 1, 2012, the annual retainer for non-employee directors increased to \$45,000, based on a review of market data regarding director compensation and increases in responsibility and accountability imposed on directors of a public company. Committee chairmen receive an additional annual retainer of \$5,000, except for the Audit Committee chairman who receives an additional annual retainer of \$10,000. Mr. Hay, Presiding Director of Viad, receives an additional annual retainer of \$25,000 for serving in that role. Non-employee directors also receive a fee of \$1,600 for each Board meeting attended and a fee of \$1,500 for each committee meeting attended. Directors are reimbursed for all expenses related to their service as directors, including travel expenses and fees associated with director education seminars. Ms. Pederson's 2011 annual fee was pro-rated beginning from her date of election to the Board of Directors on August 25, 2011 through December 31, 2011.

² There can be no assurances that the amounts provided in this column (c) will be realized. The amounts shown reflect the grant date fair value of awards by Viad in 2011 to the non-employee directors.

In 2011, each of the non-employee directors was granted 3,300 shares of restricted stock with a grant date fair value of \$75,933, except Ms. Pederson received a grant of 2,100 shares with a grant date fair value of \$37,989, pro-rated based from the date of her election as a director in August 2011 to the next grant date in February 2012. All restricted stock granted to directors will vest three years from the date of grant, with pro-rata vesting of shares upon expiration of the three-year period if a director leaves the Board prior to the end of such period for any reasons other than for cause, provided that full vesting will occur upon lapse of such period if the director has met certain age and holding period requirements. Full vesting may also occur upon expiration of the three-year period, at the discretion of the Human Resources Committee, if a director has terminated service due to unforeseen hardship or circumstances beyond the control of the director and such termination of service is at least six months after the date of grant. If a non-employee director were to take office after the restricted stock grant in February of each year, the new director would receive a pro-rata grant of restricted stock based on the date of election and the next regularly scheduled February grant of restricted stock.

At December 31, 2011, 10,200 shares of restricted stock were outstanding for each of the non-employee directors, except that Ms. Pederson had 2,100 shares of restricted stock outstanding.

³ No stock options were awarded to the non-employee directors in 2011. At December 31, 2011, the following stock options were outstanding for the named directors: Mr. Allcott, 2,500; Mr. Boggan, 5,000; Dr. Cunningham, 3,125; Mr. Dozer, none; Mr. Hay, 5,000; Mr. Krueger, none; Mr. Munzenrider, 1,590; Ms. Pederson, none; and Dr. Teplin, 5,000.

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- ⁴ The amounts shown for the non-employee directors reflect the corporate matching of charitable contributions pursuant to the Directors Matching Gift Program, which provides for corporate matching of charitable contributions made by non-employee directors, on a dollar-for-dollar basis, up to an aggregate maximum of \$5,000 per year to qualified non-profit organizations having tax-exempt status under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the Internal Revenue Code). The amounts shown also reflect dividends on unvested restricted stock and the premium paid by Viad on behalf of each non-employee director for accidental death and dismemberment insurance benefits of \$300,000 and travel accident insurance benefits of \$300,000 when they are traveling on corporate business.
- ⁵ Refer to amounts presented in the Summary Compensation Table.

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**SECURITY OWNERSHIP OF VIAD MANAGEMENT
AND CERTAIN BENEFICIAL OWNERS**

Ownership Guidelines for Directors and Executive Officers

We believe it is important to align the financial interests of our directors and executive officers with those of our shareholders. Accordingly, we have adopted guidelines which specify the minimum amount of Viad stock that we expect directors and officers to own on a direct basis, meaning stock which is subject to market risk, not simply held under option. The security ownership guidelines call for each officer to own stock which has a value within a range of one and one-half to five times that individual's annual salary, depending on salary level. The guidelines also call for each non-employee director to own stock which has a value equal to five times the annual retainer payable to a director. As of the measurement date in 2012, all non-employee directors and the named executive officers had met or exceeded their goals, except Ms. Pederson, who was elected director of the Company in August 2011, and Messrs. Hannan, Kuczynski and Moster, who are working toward achieving their goals.

Security Ownership of Management

The table below provides information concerning the beneficial ownership of Viad's common stock by directors and executive officers of Viad, individually and as a group, as of March 28, 2012.

Name	Amount and Nature of Beneficial Ownership ¹	Percent of Class
Named Executive Officers and Other Executive Officers		
Paul B. Dykstra	242,262	1.2%
Deborah J. DePaoli	21,315	*
Michael M. Hannan	35,234	*
George N. Hines	24,944	*
Ellen M. Ingersoll	127,615	*
Thomas M. Kuczynski	33,233	*
G. Michael Latta	30,064	*
Steven W. Moster	32,335	*
Cynthia J. Ognjanov	16,413	*
David C. Robertson	11,464	*
Directors		
Wayne G. Allcott	24,050	*
Daniel Boggan Jr.	16,300	*
Isabella Cunningham	22,925	*
Richard H. Dozer	16,135	*
Jess Hay	18,500	*
Robert C. Krueger	10,800	*
Robert E. Munzenrider	18,697	*
Margaret E. Pederson	5,700	*
Albert M. Teplin	23,925	*
All Executive Officers and Directors as a Group (19 persons total)	731,911	3.6%

* Less than one percent.

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Includes: 298,800 shares of restricted stock, which will vest three years from the date of grant; 25,000 shares of restricted stock, which will vest five years from the date of grant; 14,400 restricted stock units (paid in cash only), which will vest three years from the date of grant; and 155,653 shares of common stock subject to stock options, which were exercisable as of March 28, 2012, or within 60 days thereafter, by the directors and executive officers listed above. Future vesting of restricted stock (and units) is subject generally to continued employment with the Company.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires Viad's executive officers, directors and beneficial owners of more than 10% of Viad's common stock to file initial reports of ownership and reports of changes in ownership of Viad's common stock with the SEC and the NYSE. Such executive officers, directors and beneficial owners are required by U.S. federal securities regulations to furnish Viad with copies of all Section 16(a) forms they file. As a matter of practice, Viad's administrative staff assists its executive officers and directors in preparing initial reports of ownership and reports of changes in ownership, and files such reports on their behalf with the SEC and the NYSE. Based solely on a review

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of the copies of such forms furnished to Viad and written representations from its executive officers and directors, Viad believes that all executive officers, directors and beneficial owners timely complied with the Section 16(a) reporting requirements in 2011.

Security Ownership of Certain Beneficial Owners

The table below provides certain information regarding those persons known by Viad to be the beneficial owners of more than 5% of Viad's outstanding common stock.

Name and Address	Amount and Nature of Beneficial Ownership	Percent of Class
Marathon Asset Management LLP	3,937,118 ¹	19.56% ¹
5 Upper St. Martin's Lane, London, UK WC2H 9EA BlackRock, Inc.,	1,547,620 ²	7.69% ²
40 East 42nd Street, New York, NY 10022 Dimensional Fund Advisors LP	1,482,358 ³	7.37% ³
6300 Bee Cave Road, Building One, Austin, TX 78746 The Vanguard Group, Inc.	1,024,797 ⁴	5.09% ⁴
100 Vanguard Blvd., Malvern, PA 19355		

¹ Marathon Asset Management LLP filed on February 8, 2012 with the SEC a statement on Schedule 13G/A. The company filing reported that it has sole voting power over 2,968,774 shares and dispositive power over 3,937,118 shares.

² BlackRock, Inc. filed on February 10, 2012 with the SEC a statement on Schedule 13G/A. The company filing reported that it and its affiliated companies in the aggregate have sole voting and sole dispositive power over all the shares.

³ Dimensional Fund Advisors LP filed on February 14, 2012 with the SEC a statement on Schedule 13G/A. The company filing reported that it and its affiliated companies in the aggregate have sole voting power over 1,440,097 shares and sole dispositive power over all the shares.

⁴ Vanguard Group, Inc. filed on February 10, 2012 with the SEC a statement on Schedule 13G. The company filing reported that it and its affiliated companies in the aggregate have sole voting power over 26,908 shares and sole dispositive power over 997,889 shares.

The Human Resources Committee Report and the Audit Committee Report contained in this proxy statement will not be incorporated by reference into any present or future filings we make with the SEC, even if those reports incorporate all or any part of this proxy statement.

HUMAN RESOURCES COMMITTEE REPORT

The Human Resources Committee of the Board is comprised solely of independent directors. The Committee oversees design and implementation of an executive compensation strategy intended to enhance the fundamental value of Viad by increasing its earnings, cash flows,

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market position and financial condition, thereby providing a logical predicate for increases in shareholder value. The Committee has reviewed and discussed with Viad's management the Compensation Discussion and Analysis provided in this proxy statement and, based on such review and discussions, recommended to the Board of Directors that such Compensation Discussion and Analysis be included in this proxy statement and incorporated by reference in Viad's 2011 Annual Report on Form 10-K, filed March 9, 2012.

HUMAN RESOURCES COMMITTEE

Jess Hay, Chairman

Daniel Boggan Jr.

Isabella Cunningham

Richard H. Dozer

Albert M. Teplin

Table of Contents**EXECUTIVE COMPENSATION****Compensation Discussion and Analysis**

This Compensation Discussion and Analysis section explains the compensation program for Viad's executive officers whose compensation information is provided in the tables following this discussion and who are referred to in this proxy statement as the named executive officers. Viad's named executive officers include:

Paul B. Dykstra	Chairman, President and Chief Executive Officer
Ellen M. Ingersoll	Chief Financial Officer
Steven W. Moster	Group President-Marketing & Events; and President, Global Experience Specialists, Inc.
Michael M. Hannan	Group President-Travel & Recreation; and President, Brewster Inc.
Thomas M. Kuczynski	Chief Corporate Development & Strategy Officer

Executive Summary

The Board employs a pay-for-performance philosophy through its executive compensation programs by aligning the financial interests of its executive officers and key management with the long-term financial interest of Viad and its shareholders. The Human Resources Committee oversees Viad's executive compensation program and determines the compensation for its executive officers. The Human Resources Committee believes the executive compensation program for executive officers was a significant factor contributing to Viad's improved profitability and operating efficiencies in 2011.

In the past three years, the Company took quick and aggressive action to address the challenging economic and business environment and improve Viad's operational and financial performance. During 2009 and 2010, Viad made significant changes to its business, including deploying a Lean transformation initiative and implementing a comprehensive corporate reorganization. In 2011, Viad's Marketing & Events Group realigned its U.S. sales force and consolidated several overlapping facilities and Viad's Travel & Recreation Group successfully completed three acquisitions which will contribute to future growth in this high margin business. These initiatives helped Viad drive productivity improvements, reduce overhead costs, improve service levels and position the Company for growth in future years. These initiatives also contributed materially to our improved operating results in 2011 (\$25.4 million, up \$10.6 million or 72.0% from 2010) and total revenues (\$942.4 million, up \$97.6 million or 11.6% from 2010). Viad's Marketing & Events Group delivered meaningful revenue growth and returned to profitability in 2011 and Viad's Travel & Recreation Group delivered double-digit revenue growth and maintained operating margins of nearly 20%. In addition, Viad generated full year free cash flow of \$10.0 million, and finished the year with a strong balance sheet, with \$100.4 million in cash and cash equivalents and \$3.2 million in debt, with a debt-to-capital ratio of 0.8%. These performance results provide context for the key compensation decisions made by the Human Resources Committee in 2011 and prior years.

Viad's executive compensation program for 2011 was designed to drive improved profitability, motivate and retain executives and encourage executive focus on creating and maintaining long-term value for Viad's shareholders:

Base salaries of the named executive officers in 2011 were evaluated by the Human Resources Committee and were found generally to be within the targeted competitive range of the 50th and 75th percentile of the general market (as discussed in more detail in the Annual Base Salary subsection below) and therefore, competitive for employee retention purposes;

Financial goals for annual incentive compensation were established to encourage improved financial results in 2011, balanced by the need to motivate and retain executives and key management;

No discretionary cash bonuses were awarded in 2011 to any named executive officer by the Human Resources Committee where financial goals were not met;

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A significant portion of the total compensation package for the named executive officers was performance-based or linked to stock ownership;

Long-term incentive compensation in 2011 included equity grants and performance units which were designed to motivate executives to make long-term decisions that will be beneficial to shareholders and Viad and to retain executives, as the vesting (or performance period, in the case of performance units) of these grants is over a multi-year period and the ultimate value of each executive's grant will depend upon the value of Viad's stock at the time of vesting (or payout, in the case of performance units); and

Annual incentive compensation and long-term incentive compensation in 2011 (including awards of restricted stock, restricted stock units and performance units) are subject to forfeiture and reimbursement provisions (i.e., a clawback provision) relating to conduct which may be reasonably detrimental to Viad.

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Consideration of Say-on-Pay Results

The Human Resources Committee considered the results of the 2011 advisory, non-binding say-on-pay proposal in connection with the discharge of its responsibilities. Nearly 84% of Viad's shareholders voting on the say-on-pay proposal approved the compensation of the named executive officers described in our proxy statement in 2011. For 2012, the Committee did not find it necessary to implement significant changes to our executive compensation program.

Executive Total Compensation Philosophy

The Board employs a pay-for-performance philosophy as reflected in its compensation programs by aligning the financial interests of its executive officers and key management with the long-term financial interest of Viad and its shareholders. No changes to the philosophy are planned for the 2012 executive compensation programs.

Viad's compensation philosophy is designed to:

Attract, retain and engage the best available executive talent;

Promote a performance-driven culture via compensation components that effectively incent executive performance;

Provide a competitive compensation package having significant incentive-based components designed to reward business and individual performance;

Motivate executives and key employees to strive to achieve Viad's long-term and short-term operating and financial goals, thereby enhancing shareholder value;

Encourage executives and key employees to participate in the risks and rewards of ownership of Viad's common stock; and

Foster core values of ethics and integrity and protect shareholder value through compensation forfeiture and reimbursement provisions, which are triggered if an executive engages in certain conduct that may be reasonably detrimental to Viad's interests or contrary to Viad's ethical standards.

Decision-Making Process

The Human Resources Committee reviews and approves Viad's executive compensation program and the compensation levels for its executive officers. The Human Resources Committee, comprised only of independent directors, has sole responsibility with respect to the CEO and other executive officers to approve (a) the annual base salary level, (b) the annual incentive opportunity level, achievement of performance measures and payment of incentive awards, (c) the long-term incentive opportunity level, grant of awards and achievement of performance measures and (d) any special or supplemental benefits. The salary, equity and incentive compensation of the CEO is approved by the Human Resources Committee and is subject to ratification by independent members of the Board. The Human Resources Committee also has sole authority to retain and terminate any compensation consultant used to assist in the evaluation of the compensation of the CEO and other executive officers.

Total compensation is reviewed by the Human Resources Committee at its regularly scheduled meeting in February. Merit adjustments, if any, to annual base salary are effective April 1 of each year. Awards earned under the annual incentive plan (for the prior year) and long-term performance plans are approved at the February meeting. Once achievement of financial targets established for the prior year is determined, the payment of incentive awards, if earned, is not made until the Company's books have been officially closed for the prior fiscal year. In 2011, long-term incentive compensation awards (as discussed in more detail below) were granted at the February meeting, and targets for the incentive plans were determined at the March meeting of the Human Resources Committee.

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Using general industry market survey data (as discussed below) provided by Aon Hewitt Associates (Aon Hewitt), each component of the total compensation package (as discussed below) for the named executive officers is generally targeted between the 50th and 75th percentiles of the general market survey data. This analysis and a number of other factors, including advice from Aon Hewitt, an assessment of individual performance, his/her experience and special expertise related to the responsibilities of his/her position, Viad's operating and financial results, the extent to which Viad's financial and operating goals were achieved in the prior year and internal equity considerations are considered by the Human Resources Committee in determining appropriate levels of compensation for each named executive officer. At the regularly-scheduled meeting in February, the Human Resources Committee discusses the performance of the CEO and the other executive officers.

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Benchmarking and Resources

Aon Hewitt, a national independent compensation consulting firm, has been retained by the Human Resources Committee and Viad's Human Resources Department to provide services, advice and counsel on executive compensation and to serve as a technical resource for market data on executive compensation. As a participant in Aon Hewitt's executive compensation database and other compensation surveys, Viad obtains competitive market data for executive positions, including base salary, target and actual annual incentives, long-term incentives and total compensation values, which assist the Human Resources Committee in its decisions on executive compensation.

Viad's Human Resources and Law Departments support the Human Resources Committee in its work and in some cases act pursuant to delegated authority to fulfill various functions in administering Viad's compensation programs for executive officers. The Human Resources Department also provides the Human Resources Committee with competitive compensation benchmarks using general market surveys. Viad does not use a set of identified comparator or peer companies in connection with the decision-making process for executive compensation. Viad's unique and diverse mix of businesses—from marketing and event services to travel and recreation services—makes it difficult to identify a peer group that has similar characteristics. In addition, Viad is the only publicly-held company in the United States operating with this mix of businesses. As a result, Aon Hewitt obtained market data from their Total Compensation Measurement Database for a broad mix of general industry companies that have annual revenues similar to Viad's annual revenues (companies with annual revenues in the range of \$500 million to \$2 billion with a median of \$979 million), without regard to specific companies or the specific industry in which the companies compete. Benchmark valuations were derived from this general industry data by Aon Hewitt. Such competitive data provides reference points for the Human Resources Committee.

Components of Compensation

Compensation components for the named executive officers include:

annual base salary;

short-term, annual cash incentive compensation;

long-term incentive compensation;

perquisites and other personal benefits;

retirement income and savings plans; and

post-termination compensation and benefits.

Each component of the total compensation of the named executive officers is discussed below.

Mix of Pay

The Human Resources Committee and management create what they believe is the optimal mix of compensation components, consistent with Viad's compensation philosophy, in delivering the executives' targeted total compensation. The table below shows the 2011 mix of compensation components for the named executive officers.

Components of 2011 Compensation

As a Percentage (%) of Targeted Total Compensation

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Name	Base Salary (%)	Targeted Annual Incentive Bonus (%)	Long-Term Incentives¹ (%)	Perquisites and Personal Benefits (%)
Paul B. Dykstra	20	19	54	7
Ellen M. Ingersoll	30	16	43	11
Steven W. Moster	33	18	37	12
Michael M. Hannan	38	23	26	13
Thomas M. Kuczynski	39	20	27	14

¹ The percentage calculation for this column is based on the grant date estimated future payouts for long-term incentives.

Viad's total compensation package for executives is designed to enhance shareholder value, as well as to mitigate the potential for excessive risk-taking by executives in managing Viad's businesses. The Human Resources Committee believes that certain design features of Viad's executive compensation program aid in discouraging excessive risk-taking, including, among others, the following:

Mix of pay for executives is not overly weighted toward either annual incentives or long-term incentive compensation.

Performance goals for annual incentives are approved by the Human Resources Committee to ensure that performance goals and targets are reasonable and are designed with the intent that achievement will result in enhancement to the fundamental value of Viad.

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Awards of long-term incentives create and maintain shareholder value over a multi-year period because the ultimate value of each executive's grant will depend upon the value of Viad's stock at the time of vesting (or exercise, in the case of stock options), which in turn encourages executives to consider the inherent risk of short-term decisions that may impact the future performance of Viad.

Viad's stock ownership guidelines align the financial interests of our directors and executive officers with those of our shareholders (see *Stock Ownership Guidelines* subsection below and the *Ownership Guidelines for Directors and Executive Officers* section of this proxy statement).

Annual and long-term incentive compensation is subject to forfeiture and reimbursement provisions relating to conduct which may be reasonably detrimental to Viad (see *Forfeiture and Reimbursement Provisions for Detrimental Conduct* subsection below).

Annual Base Salary

The base salary program for Viad's executives helps achieve the objectives outlined above by attracting and retaining strong talent. Base salaries represent the fixed portion of the executive compensation package. Salary levels are determined using a combination of factors including competitive benchmark levels, the executive's experience and tenure, Viad's annual merit budget and the executive's individual performance. Merit increase guidelines for all employees, including the named executive officers, are determined using published survey sources, and have ranged from 0% to 5%, averaging approximately 3% on a historical basis. If an executive is not meeting expectations, then no merit increase would be awarded.

Base salaries for Viad's named executive officers are targeted between the 50th and 75th percentiles of the general industry market survey data. Base salaries generally fall between the minimum and maximum of the targeted range, depending upon time in position, individual performance and qualifications for the role. This range allows Viad to respond to changing business conditions and manage salaries more evenly over an executive's career.

In 2011, base salaries approved by the Human Resources Committee for the named executive officers were within the 50th and 75th percentile range of the general market survey data, except for the base salaries of Mr. Kuczynski, which was above the 75th percentile of the general market, and Mr. Dykstra, which was below the 50th percentile of the general market. However, Mr. Dykstra's total targeted compensation, including incentive-based compensation, did fall within the targeted range.

Annual Incentives

Viad's Management Incentive Plan is an annual, cash-based, pay-for-performance incentive program for executive officers and other key executives. The Management Incentive Plan is designed to motivate and reward these individuals for their contributions to Viad's performance during the year by making a significant portion of their cash compensation variable and dependent upon achievement of Viad's annual performance targets. The performance targets are established by the Human Resources Committee at the beginning of each year. Incentive cash payments reflect the extent to which targets for performance goals are met or exceeded.

Financial targets are set with the intent that achievement will result in enhancement to the fundamental value of Viad, which, in turn, is ultimately reflected in enhanced shareholder value. When determining the performance targets, the Human Resources Committee considers past financial performance of Viad and its operating companies and the internal estimates of their current-year planned financial performance. Established growth trends, or improved profitability and operating efficiencies during periods of economic uncertainty, which are based on economic and business conditions specific to Viad's businesses, are the gauge by which meaningful targets are set and executive performance is measured.

For the past seven years, the Human Resources Committee has not awarded a discretionary cash bonus to any named executive officer in circumstances where performance goals under the annual incentive plan were not met. The Human Resources Committee has discretion to increase or decrease the actual awards based on Company and individual performance, except in the case of executive officers, whose awards may only be decreased.

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The table below provides information for the 2011 Management Incentive Plan, including the performance goals, the weighting of each performance goal as a percentage of the total award and the targeted achievement levels for each performance goal.

2011 Annual Incentive Performance Goals, Weighting and Targets