RYDER SYSTEM INC

FORM 8-K
(Current report filing)

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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): February 8, 2013

RYDER SYSTEM, INC.

(Exact name of registrant as specified in its charter)

Florida	1-4364	59-0739250
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(I.R.S. Employer Identification No.)**

11690 NW 105 th Street Miami, Florida	33178
(Address of Principal Executive Offices)	**(Zip Code)**

(305) 500-3726
(Registrant's telephone number, including area code)

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

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e) Compensatory Arrangements of Certain Officers.

2013 Long-Term Incentive Awards

On February 8, 2013, the Compensation Committee of our Board of Directors (and the independent directors of our Board of Directors with respect to Robert E. Sanchez, President and Chief Executive Officer) approved the 2013 long-term incentive awards for Mr. Sanchez and each of Art A. Garcia, Executive Vice President and Chief Financial Officer, John H. Williford, President - Global Supply Chain Solutions and Robert D. Fatovic, Executive Vice President, Chief Legal Officer and Corporate Secretary. Gregory T. Swienton, Executive Chairman, did not receive a long-term incentive award in 2013 as he intends to retire from the Company in May 2013. For 2013, the total target long-term incentive value remains unchanged at 175% of the midpoint of the relevant salary range for each of Messrs. Williford, Garcia and Fatovic and 350% of the midpoint for Mr. Sanchez, who assumed the role of CEO in January 2013. The long-term incentive value approved for each named executive officer was comprised of 40% in stock options (reduced from 45% in 2012), 40% in performance-based restricted stock rights (PBRSRs) (increased from 35% in 2012) and 20% in performance-based restricted cash awards (PBCA) (unchanged from 2012).

The stock options continue to vest in three equal annual installments commencing on the first anniversary of the grant date and expire ten years from the grant date. The vesting criteria for the PBRSRs and PBCA are different from those granted in 2012, as described below.

The performance criteria applicable to the PBRSRs and PBCA awarded in 2012 was based on our total shareholder return (TSR) relative to the TSR for the companies in the S&P 500 Composite Index. The PBRSRs and PBCA applicable to the 2013 PBRSRs and PBCA will be subject to two metrics: 50% of the PBRSRs and PBCA will be earned based on the Company's TSR relative to the TSR of companies in a custom peer group and 50% will be earned based on the Company's return on capital (ROC).

The 50% of the PBRSRs and PBCA that will be earned based on TSR performance will be measured in three equal performance periods of one, two and three years (e.g., one-third will be earned based on performance from January 1, 2013 through December 31, 2013; one-third will be earned based on performance from January 1, 2013 through December 31, 2014; and one-third will be earned based on performance from January 1, 2013 through December 31, 2015). For each performance period, the Company's TSR will be compared to and ranked against the TSR of the companies in a custom peer group. The portion of the PBRSRs and PBCA that will be earned for such performance period will depend on the rank of the Company's TSR relative to the companies in the custom peer group as more fully set forth in the terms and conditions for such awards attached to this Current Report on Form 8-K.

The 50% of the PBRSRs and PBCA that will be earned based on the Company's ROC will also be measured in three equal performance periods. One-third will be based on ROC performance during calendar year 2013, one-third will be based on ROC performance during calendar year 2014 and one-third will be based on ROC performance during calendar year 2015. At the start of each year, three ROC target levels will be set for that year: a Threshold Level (at which 25% of the PBRSRs and PBCA will be earned), a Target Level (at which 100% of the PBRSRs and PBCA will be earned) and a Maximum Level (at which 125% of the PBRSRs and PBCA will be earned).

In each case, all awards that have been earned will only vest at the end of the entire three-year performance cycle if the employee is employed with the Company, subject to the approval of the Compensation Committee of our Board of Directors. Dividend equivalents on the PBRSRs will accrue and be paid only with respect to PBRSRs that actually vest at the end of the three-year performance cycle.

The terms and conditions for the 2013 PBRSRs and PBCA are attached to this Current Report on Form 8-K as exhibits 10.4(w) and 10.4(x).

Amended and Restated Severance Agreements

On December 17, 2012, the Company entered into amended and restated Severance Agreements with each of Messrs. Swienton, Sanchez, Williford, Garcia and Fatovic. These agreements provide for certain severance benefits if the executive's employment is terminated due to death, disability, without cause or after a change in control (as each term is defined in the agreements). Except as described below, the benefits provided to each executive under these agreements are substantially the

same benefits as those set forth in the Form of Severance Agreement that was filed with the SEC on February 11, 2009 (the 2009 Severance Agreements) and which are described under “Potential Payments Upon Termination or Change of Control” in our Definitive Proxy Statement on Schedule 14A filed with the SEC on March 19, 2012.

Under the 2009 Severance Agreements with the Company's CEO and named executive officers, upon a termination without cause not involving a change of control, executives were entitled to a multiple of their target bonus opportunity under the Company's annual cash incentive awards. Because the Company intends any payments made under the annual cash incentive awards to qualify as performance-based compensation under Section 162(m) of the Internal Revenue Code of 1986 as amended (the Code), the 2009 Severance Agreements have been amended and restated to provide that, upon a termination without cause not involving a change of control, executives will be entitled to a pro-rata bonus based on actual performance in the year of termination and a multiple (which is unchanged) of the average of amounts actually paid to the executive under the annual cash incentive awards for the three-year period preceding the year of termination. If after a change of control has occurred, the executive is terminated without cause or the executive terminates his employment for “good reason”, the executive will be entitled to a pro-rata bonus based on actual performance in the year of termination and a change of control multiple (which is unchanged) of his target bonus opportunity under the Company's annual cash incentive awards.

In addition, the Company will cease to provide a tax gross-up on any amounts that constitute “excess parachute payments” within the meaning of Section 280G of the Code. The amended and restated Severance Agreements for the named executive officers and the amended and restated Executive Severance Plan for all other officers now provide that the Company shall reduce (but not below zero) the aggregate present value of the payments under the agreement to an amount that does not cause any payment to be subject to the excise tax under Section 4999 of the Code, if reducing the payments under the agreement would provide the executive with a greater net after-tax amount than would be the case if no reduction was made.

The revised Executive Severance Plan and the new form Severance Agreements with the Executive Chairman, CEO and other named executive officers are attached to this Current Report on Form 8-K as exhibits 10.1(b), 10.1(c) and 10.1(d).

2013 Annual Cash Incentive Awards

On February 8, 2013, the Compensation Committee of our Board of Directors (and the independent directors of our Board of Directors, with respect to Messrs. Swienton and Sanchez) approved the terms and conditions of the 2013 annual cash incentive awards for our named executive officers (including Messrs. Swienton and Sanchez). For 2013, the performance metrics applicable to our annual cash incentive awards will be earnings per share (60%) and operating revenue (40%). Because the Company's ROC is now a key performance metric in our 2013 Long-Term Incentive Plan, we have removed ROC as a measure in our 2013 annual cash incentive awards. For 2013, the target payout opportunity under the annual cash incentive awards will remain unchanged: 175% of base salary for Mr. Swienton, 150% of base salary for Mr. Sanchez (as previously disclosed), 100% of base salary for Mr. Williford and 80% of base salary for each of Messrs. Garcia and Fatovic, with a maximum equal to two times the target payout opportunity.

Item 9.01 Financial Statements and Exhibits .

(d) Exhibits

Exhibit No.	Description
10.1(b)	The Form of Amended and Restated Severance Agreement for Chief Executive Officer and Executive Chairman
10.1(c)	The Form of Amended and Restated Severance Agreement for other named executive officers
10.1(d)	The Ryder System, Inc. Executive Severance Plan effective as of January 1, 2013
10.4(w)	Terms and Conditions applicable to 2013 performance-based cash awards granted to named executive officers under the Ryder System, Inc. 2012 Equity and Incentive Compensation Plan
10.4(x)	Terms and Conditions applicable to 2013 performance-based restricted stock rights granted to named executive officers under the Ryder System, Inc. 2012 Equity and Incentive Compensation Plan

SIGNATURE

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 hereunto duly authorized.

Date: February 14, 2013

RYDER SYSTEM, INC.
(Registrant)

By: /s/ Robert D. Fatovic

Name: Robert D. Fatovic

Title: Executive Vice President, Chief Legal Officer & Corporate Secretary

Exhibit 10.1(b)

Form for the CEO and the Executive Chairman

AMENDED AND RESTATED

SEVERANCE AGREEMENT

This AMENDED AND RESTATED SEVERANCE AGREEMENT (the "Agreement") is executed on December 17, 2012 ("Execution Date") and is effective as of the date set forth in Section 17 (the "Effective Date"), between Ryder System, Inc., a Florida corporation (the "Company"), and _____(the "Executive").

WHEREAS, the Company and the Executive entered into a Severance Agreement dated _____, which was amended and restated effective _____ (the "Prior Agreement");

WHEREAS, the Company and the Executive hereby desire to amend and restate the Prior Agreement, in each case on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual promises contained herein and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. DEFINITIONS.

Capitalized terms used in the Agreement and not elsewhere defined shall have the meanings set forth in this Section:

(a) " Accrued Benefits " means (i) earned but unpaid base salary accrued through the Termination Date and any accrued but unpaid vacation time to the extent carried to the Termination Date under Company policy; (ii) unreimbursed expenses incurred in accordance with applicable Company policy through the Termination Date; (iii) unpaid amounts under the terms of any incentive plan in which the Executive participates as of the Termination Date, if and to the extent that the Executive is entitled under the terms of any such plan to receive a payment as of the Termination Date; and (iv) all other payments, benefits or perquisites to which the Executive may be entitled through the Termination Date, (including but not limited to rights to indemnification under the Company's By-laws as in effect from time to time) subject to and in accordance with the terms of any applicable compensation arrangement or benefit, or any equity or perquisite arrangement, plan, program or grant.

(b) " Base Salary " means the Executive's annual base salary in effect on the Termination Date, or, on or before the second anniversary of a Change of Control, and if higher, the highest annual base salary in effect during the six (6) month period immediately preceding the Change of Control. Base Salary for this purpose shall not include or reflect bonuses, overtime pay, compensatory time-off, commissions, incentive or deferred compensation, employer contributions towards employee benefits, cost of living adjustment, or any other additional compensation, and shall not be reduced by any contributions made on the Executive's behalf to any plan of the Company under Section 125, 132, 401(k), or any other analogous section of the Code.

(c) " Benefits Continuation Period " means the period for each applicable benefit beginning on the Termination Date and ending on the earliest of (i) the day on which the Executive is eligible to receive coverage for such benefit from a new employer; (ii) the date the Executive cancels his COBRA continuation coverage in accordance with the terms of the relevant plan(s); or (iii) the last day of the Executive's Severance Period.

(d) " Cause " means: (i) fraud, misappropriation or embezzlement by the Executive against the Company or any of its subsidiaries and/or affiliates; (ii) conviction of or plea of guilty or nolo contendere to a felony; (iii) conviction of or plea of guilty or nolo contendere to a misdemeanor involving moral turpitude or dishonesty; (iv) willful failure to report to work for more than thirty (30) continuous days not attributable to eligible vacation or supported by a licensed physician's statement; (v) material breach by the Executive of the provisions of Section 10 of this Agreement (Restrictive Covenants); (vi) willful failure to perform the Executive's key duties or responsibilities; or (vii) any other activity which would constitute grounds for termination for cause by the Company or its subsidiaries or affiliates, including but not limited to material violations of the Company's Principles of Business Conduct or any analogous code of ethics or similar policy. Notwithstanding the foregoing, if a Change of Control has occurred within the two (2) years preceding a Cause determination, "Cause" shall not include subsection (vii) of the preceding sentence, provided that subsection (vii) shall continue to apply to any terminations that are deemed to have retroactively occurred pursuant to Section 5(c)(iii). For the purposes of this Section 1(d), any good faith interpretation by the Company's Board of Directors (the "Board") of the foregoing definition of "Cause" shall be conclusive on the Executive. For purposes of this Agreement "Cause" shall be determined by the Board or its designee, provided that following a Change of Control, "Cause" shall be determined by a majority of the Incumbent Board (as defined in Section 1(e)), or, if there are fewer than three (3) members in the Incumbent Board (excluding the Executive) at the date of such a determination, by the remaining Incumbent Board members, if any, and two-thirds of the members of the Board. Any good faith interpretation that satisfies the foregoing sentence shall be conclusive on the Executive. The Executive shall not have the right to vote or be counted for purposes of the determination of Cause.

(e) " Change of Control " Except as provided below, for the purpose of this Agreement, a "Change of Control" shall be deemed to have occurred if:

(i) any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "1934 Act")) (a "Person") becomes the beneficial owner, directly or indirectly, of thirty percent (30%) or more of the combined voting power of the Company's outstanding voting securities ordinarily having the right to vote for the election of directors of the Company; provided, however, that for purposes of this subparagraph (i), the following acquisitions shall not constitute a Change of Control: (A) any acquisition by any employee benefit plan or plans (or related trust) of the Company and its subsidiaries and affiliates or (B) any acquisition by any corporation pursuant to a transaction which complies with clauses (A), (B) and (C) of subparagraph (iii) of this Section 1(e); or

(ii) the individuals who, as of January 1, 2007, constituted the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board, provided that any person becoming a director subsequent to January 1, 2007 whose election, or nomination for election, was approved by a vote of the persons comprising at least a majority of the Incumbent Board (other than an election or nomination of an individual whose initial assumption of office is in connection with an actual or threatened election contest, as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the 1934 Act (as in effect on January 23, 2000)) shall be, for purposes of this Agreement, considered as though such person were a member of the Incumbent Board; or

(iii) there is a reorganization, merger or consolidation of the Company (a "Business Combination"), in each case, unless, following such Business Combination, (A) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Company's outstanding common stock and outstanding voting securities ordinarily having the right to vote for the election of directors of the Company immediately prior to such Business Combination beneficially own, directly or indirectly, more than fifty percent (50%) of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities ordinarily having the right to vote for the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the Company's outstanding common stock and outstanding voting securities ordinarily having the right to vote for the election of directors of the Company, as the case may be, (B) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan or plans (or related trust) of the Company or such corporation resulting from such Business Combination and their subsidiaries and affiliates) beneficially owns, directly or indirectly, 30% or more of the combined voting power of the then outstanding voting securities of the corporation resulting from such Business Combination and (C) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(iv) there is a liquidation or dissolution of the Company approved by the shareholders; or

(v) there is a sale of all or substantially all of the assets of the Company.

Notwithstanding anything in this Section 1(e) to the contrary, for purposes of Section 5(c)(ii), a Change of Control shall only be deemed to occur if such transactions or events would give rise to a "change in ownership or effective control" or a change in the "ownership of a substantial portion of the assets" under Section 409A of the Code, and the rulings and regulations issued under that Section.

(f) " Code " means the Internal Revenue Code of 1986, as amended, supplemented or substituted from time to time.

(g) " Company Entity " has the meaning set forth in Section 15(e).

(h) " Disability " means (i) the Executive is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months; (ii) the Executive is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan of the Company; or (iii) a determination by the Social Security Administration that the Executive is totally disabled.

(i) " Employment Term " means the Executive's term of employment commencing on the date the Executive was originally hired by the Company and ending on the first to occur of the events specified in Section 4.

(j) " Equity Compensation Opportunities " means the Executive's ability to obtain equity in the Company (or a comparable cash-based incentive program) through a compensatory arrangement. Equity Compensation Opportunities are measured using the valuation method applied by the Company for financial accounting purposes and the Board may take into account in determining that no reduction has occurred any exercises, cashing out, or other liquidity in favor of the Executive that is either triggered by the Executive or occurring in connection with a Change of Control. Changes in the underlying value of the stock shall not be treated as a reduction in the Equity Compensation Opportunities, and the Company may take into account in replacing the value of pre-Change of Control equity compensation with post-Change of Control equity compensation (or a comparable cash-based incentive program) that the Executive may have received value for his equity compensation in the Change of Control.

(k) " Good Reason " only applies within two (2) years following a Change of Control, as defined in Section 1 (e), except as otherwise provided in Section 5(c)(iv), and means the occurrence of any of the following without the Executive's consent: (i) any material reduction in the aggregate value of the Executive's compensation (consisting of the Executive's base salary, target bonus opportunity under the Company's annual bonus plan or program, cash perquisites, and Equity Compensation Opportunities); (ii) the Company's requiring the Executive to be based or to perform services at any site or location more than fifty (50) miles from the site or location at which the Executive is based at the time of the Change of Control, except for travel reasonably required in the performance of his responsibilities (which does not materially exceed the level of travel required of the Executive in the six (6) month period immediately preceding the Change of Control); (iii) any failure by the Company to obtain the assumption and agreement to perform under this Agreement by a successor as contemplated by Section 8; (iv) any failure by the Company to pay into the Trust(s) the amounts and at the time or times as are required pursuant to the terms of Section 6; or (v) any material and adverse changes in the Executive's duties and responsibilities. For the avoidance of doubt, a change in reporting relationship or title shall not constitute "Good Reason."

The Executive's termination of employment shall only constitute a termination for Good Reason if the Executive terminates employment on or prior to the first anniversary of the date on

which the circumstances providing a basis for such termination initially occurred. In addition, the Executive's continued employment shall not constitute consent to, or a waiver of rights with respect to, any circumstance constituting Good Reason, until ninety (90) days have elapsed since the occurrence of the circumstance he would assert constitutes Good Reason, and the Executive has not provided notice in accordance with Section 1(m) prior to the end of such ninety (90) day period.

(l) " Involuntary Termination " means the termination of the Executive's employment by the Company for any reason other than death, Disability or Cause; provided, however, that an Involuntary Termination of his employment shall not occur if:

(i) the termination of the Executive's employment is due to the transfer of his employment between the Company and a Company Entity, or among the Company and one or more Company Entities; or

(ii) the termination follows a Change of Control and either (a) the Executive's employment is transferred to the purchaser or transferee of all or any portion of the operations of the Company or any subsidiary or affiliate (the "Disposed Business") and the obligations of this Agreement are assumed by the purchaser or transferee or (b) the Executive terminates his employment with the Company or any of its subsidiaries or affiliates or does not accept an offer of employment from a purchaser or transferee notwithstanding that the Executive received an offer of employment from either the purchaser or transferee of the Disposed Business or the Company or any of its subsidiaries and affiliates which offer included a continuation of the obligations of this Agreement, as determined by the Company in its sole discretion.

In no event shall an "Involuntary Termination" occur if the Executive terminates his employment with the Company or any of its subsidiaries or affiliates for any reason. In the event of the occurrence of any of the events set forth in subsection (ii) above, the Company's obligations under this Agreement shall terminate immediately and the Executive shall not be entitled to any amounts or benefits hereunder but shall still be required to comply with Section 10 hereof. This Agreement shall, however, continue in effect if the Executive's employment is transferred between or among the Company and Company Entities, as contemplated in subsection (i) above.

(m) " Notice of Termination " means written notice (i) specifying the effective date of the Executive's termination (which shall not be less than thirty (30) days after the date of such notice in the case of a termination on account of Disability or the Executive's voluntary termination other than for Good Reason); (ii) solely with respect to the Executive's terminating for Good Reason, citing the specific provision of this Agreement and the facts and circumstances, in reasonable detail, providing a basis for such termination, provided that if the basis for such Good Reason is capable of being cured by the Company, the Executive will provide the Company with an opportunity to cure the Good Reason within thirty (30) calendar days after receipt of such notice, and (iii) solely with respect to the Company terminating the Executive's employment on account of Disability, its intent to terminate his employment on account of Disability. A Notice of Termination will, as applicable, be provided by or to the Board.

(n) " Release " means a severance agreement and general release in a comprehensive form used by the Company for such purposes at the time of the Executive's separation from employment (a copy of such form as in effect on the date this Agreement is executed is attached to this Agreement by way of example, but the Executive acknowledges that such form may be updated by the Company from time to time). If the Executive is subject to the Older Workers Benefit Protection Act ("OWBPA"), the Release shall be revocable until the end of the seventh (7th) calendar day after Executive executes the Release.

(o) " Release Effective Date " means, if the Executive is covered by the OWBPA on his Termination Date, the later of: (i) the eighth (8th) calendar day after the execution of the Release, provided that the Executive has not revoked the Release prior to such date, or (ii) the Termination Date. If the Executive is not covered by the OWBPA on his Termination Date, the Release Effective Date means the later of: (i) the date on which the Release is executed by the Executive, or (ii) the Termination Date.

(p) " Severance Multiple " means a multiple of two and one-half (2 1/2). On or after a Change of Control, the Severance Multiple shall mean three (3).

(q) " Severance Period " means a period of two and one-half (2 1/2) years following the Termination Date. On or after a Change of Control, the Severance Period shall mean a period of three (3) years following the Termination Date.

(r) " Specified Employee " means an individual deemed to be a "specified employee" in accordance with the policies and procedures adopted by the Company and generally includes any individual who is an officer of the Company.

(s) " Target Bonus " means the stated target incentive award which the Executive is eligible to receive under the Company's annual incentive compensation plan or awards for the year in which the Termination Date occurs.

(t) " Termination Date " means the effective date of the termination of the Executive's employment with the Company and all subsidiaries or affiliates.

(u) " Three-Year Average Bonus " means the average annual cash incentive award paid to the Executive under the Company's annual incentive compensation plan for the prior three (3) calendar years immediately preceding the Termination Date. If the Executive has been employed for less than three (3) full calendar years at the Termination Date, the Three-Year Average Bonus will be based on the average of the actual annual cash incentive award payout percentages over the prior three (3) calendar years for similarly situated executives multiplied by the Executive's Target Bonus.

(v) " Trustee " shall have the meaning ascribed to such term in Section 6 of this Agreement.

2. POSITION/DUTIES.

(a) The Company agrees to continue to employ the Executive as its Chief Executive Officer or other equivalent title as approved by the Board, subject to the terms and conditions outlined in this Agreement. The Executive accepts the continuing employment. The Executive will have those responsibilities, duties, authorities and titles consistent with the Executive's status as an officer of the Company as assigned from time to time by the Board, shall be subject to all rules, policies and procedures of the Company, and shall serve in such other executive capacities, without additional compensation, as may be assigned by the Board from time to time.

(b) During the Employment Term, the Executive shall devote substantially all of his full business time (other than vacation and sick leave), energy and skill in the performance of his duties with the Company. However, this Agreement does not prevent the Executive from (i) managing his and his family's personal passive investments, and (ii) participating in charitable, civic, educational, professional, community or industry affairs or serving on the board of directors of other companies (subject to the consent of the Board), so long as these activities do not materially interfere with the performance of his duties or create a potential actual or perceived conflict of interest or violate Section 10 of this Agreement.

3. PRIOR ARRANGEMENTS.

The parties agree that, as of the Effective Date, all prior employment, separation, severance, termination, change of control, or similar agreements, arrangements, or plans whether oral or written covering the Executive are terminated and superseded and any notice periods with respect to such terminations are deemed satisfied or explicitly waived.

4. TERMINATION.

The Executive's employment and the Employment Term shall terminate on the first of the following to occur:

(a) DISABILITY. Upon thirty (30) days' written notice by the Company to the Executive of termination due to Disability.

(b) DEATH. On the date of death of the Executive.

(c) CAUSE. Immediately upon written notice by the Company to the Executive of a termination for Cause.

(d) INVOLUNTARY TERMINATION WITHOUT CAUSE. Upon written notice by the Company to the Executive of an Involuntary Termination without Cause.

(e) GOOD REASON ON OR AFTER A CHANGE OF CONTROL. On or after the occurrence of a Change of Control, upon written notice by the Executive to the Company of a termination for Good Reason, subject to Section 1(m) and as provided in Section 9.

(f) VOLUNTARY TERMINATION. Upon notice by the Executive to the Company of the Executive's voluntary termination of employment, or on or after a Change of Control, upon notice by the Executive to the Company of the Executive's voluntary termination of

employment without Good Reason (which the Company may, in its sole discretion, make effective earlier than the termination date proposed by the Executive), subject to Section 1(m) and as provided in Section 9.

5. CONSEQUENCES OF TERMINATION.

(a) DISABILITY. In the event the Employment Term ends on account of the Executive's Disability, the Company shall pay and provide the Executive any Accrued Benefits.

(b) DEATH. In the event the Employment Term ends due to the Executive's death, the Company shall pay and provide Executive's estate (to the extent that beneficiaries have not been designated under applicable benefit or compensation plans) any Accrued Benefits.

(c) INVOLUNTARY TERMINATION WITHOUT CAUSE NOT DUE TO A CHANGE OF CONTROL. In the event of the Executive's Involuntary Termination not due to a Change of Control, the Executive shall be entitled to receive the compensation listed below, subject to his compliance with the terms and conditions of Section 5(f) ("Additional Terms").

(i) The Company shall pay or provide to the Executive the following payments and benefits:

(A) Any Accrued Benefits payable as soon as practical after the Termination Date, or such other date as their terms require;

(B) Continued payment of the Executive's Base Salary for the applicable Severance Period payable in installments in accordance with the Company's standard payroll practices, but no less frequently than monthly, beginning within sixty (60) days following the Termination Date (with the first payment to include amounts accrued between the Termination Date and the first payment date); provided that, if the sixtieth (60th) day following the Termination Date falls in the calendar year following the calendar year in which the Termination Date occurs, payments will not commence prior to the first day of the calendar year following the calendar year in which the Termination Date occurs; provided further that, in the event the Executive is a Specified Employee on the Termination Date, payment shall be made in accordance with the following provisions:

a. If the aggregate value of the payments due to the Executive pursuant to this Section 5(c)(i)(B) during the six (6) month period following his Termination Date does not exceed two (2) times the lesser of: (x) the Specified Employee's base salary for the year prior to the year in which the Termination Date occurs; or (y) the maximum amount that may be taken into account under a qualified retirement plan

pursuant to Section 401(a)(17) of the Code for the year in which the Termination Date occurs (such amount, the "Separation Pay Limit"), the Executive shall receive continuation of his Base Salary for the Severance Period payable in installments in accordance with the Company's standard payroll practices, but no less frequently than monthly, as set forth above.

b. If the aggregate value of the payments due to the Executive pursuant to this Section 5(c)(i)(B) during the six (6) month period following his Termination Date exceeds the Separation Pay Limit, the Executive shall not receive any payments of continued Base Salary in excess of the Separation Pay Limit during such six (6) month period. Any amounts in excess of the Separation Pay Limit which would have otherwise been paid during the six (6) month period following the Executive's Termination Date shall be paid in a lump sum on the first day following the six (6) month anniversary of the Executive's Termination Date. Beginning with the first payroll cycle occurring on or after the first day following the six (6) month anniversary of the Executive's Termination Date and continuing until the end of the Severance Period, the Executive shall receive continuation payments of the Executive's Base Salary in installments in accordance with the Company's standard payroll practices, but no less frequently than monthly.

c. For purposes of Section 409A of the Code, each installment payment of Base Salary made pursuant to this Section 5(c)(i)(B) shall be treated as a separate payment of compensation.

(C) A lump sum payment equal to (x) the Executive's Three-Year Average Bonus multiplied by (y) the Severance Multiple, payable on the Release Effective Date or as soon thereafter as is reasonably practicable, but in no event shall such payment occur later than March 15 of the calendar year following the year in which the Termination Date occurs;

(D) A lump sum payment equal to the pro-rata cash bonus for the year in which the Termination Date occurs which shall be paid (x) when such annual bonuses are paid to non-terminated employees (or, if later, upon the satisfaction of all conditions for the payment of benefits hereunder, but in no event shall such payment occur later than March 15 of the calendar year following the year in which

the Termination Date occurs) and (y) based on the actual attainment of the performance goals under the annual bonus plan for the year in which the Termination Date occurs;

(E) If the Executive continues to receive health benefits (including, medical, prescription, dental, vision and health care reimbursement account benefits) pursuant to the Company's health plans under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, supplemented or substituted from time to time ("COBRA") and pays the full COBRA premiums, the Company will reimburse the Executive for the COBRA premiums paid for such benefits for the Executive and his family through COBRA (with the exception of any COBRA premiums paid for health care reimbursement account benefits), through the Benefits Continuation Period, in accordance with the applicable plans, programs or policies of the Company, and on such terms applicable to comparably situated active employees during such period (which shall offset the Company's COBRA obligation, if any); provided that the Executive may continue to receive health benefits pursuant to the Company's health plans during a period of time in the Benefits Continuation Period during which the Executive would not otherwise be entitled to COBRA continuation coverage under Section 4980B of the Code if the Executive continues to pay premiums for such health benefits, and the Executive shall receive reimbursement for all premiums paid by the Executive for such continued health benefits on the date no later than December 31 of the calendar year immediately following the calendar year in which the applicable expenses have been incurred. If the Executive fails to accept available coverage from another employer or fails to notify the Company (or following a Change of Control, the Company or the Trustee) within thirty (30) days of the Executive's eligibility to receive coverage under another employer's plan, the Executive's reimbursements under this Section 5(c)(i)(E) shall immediately terminate and the Executive shall cease to be entitled to any such reimbursements under this Agreement and shall be required within three (3) months after such failure to reimburse the Company for the reimbursements paid to the Executive after such failure. In addition, the Executive agrees that the Company may offset against such reimbursement or deduct such reimbursement from any payments due to the Executive in full or partial payment of such reimbursement; provided that no such offset shall be made in violation of Section 409A of the Code;

(F) The Company shall provide the Executive with professional outplacement services as determined in the Company's sole discretion until the earliest of: (w) thirty-six (36) months after the Termination Date, (x) the date on which the Executive obtains another full-time job, and (y) the date on which the Executive becomes self-employed. The amount of outplacement services provided to the Executive during any calendar year will not affect the amount of outplacement services provided to the Executive in any subsequent calendar year. The Company will not pay the Executive cash or provide other benefits in lieu of professional outplacement services;

(G) If the Executive is covered by any Company-sponsored executive life insurance program as of the Termination Date, the Company shall continue to pay for the Executive's coverage until the end of the Severance Period. At the end of the Severance Period, the Executive will have thirty-one (31) days from the last day of the Severance Period to convert his life insurance coverage to an individual policy;

(H) If the Executive is covered by any Company-sponsored supplemental long-term disability insurance program as of the Termination Date, the Company shall continue to pay for the Executive's coverage until the end of the Severance Period. At the end of the Severance Period, the Executive shall be entitled to keep this policy if he continues to pay the annual premiums; and

(I) Any benefits or rights to which the Executive is entitled under any of the Company's stock or equity plans in accordance with the terms and conditions of those plans.

(ii) If a Change of Control occurs and the Executive is then receiving, or is entitled to receive, payments and benefits under Section 5(c)(i) of this Agreement as a result of his Involuntary Termination without Cause not due to a Change of Control, the Company shall pay to the Executive in a lump sum, within seven (7) calendar days after the Change of Control, an amount (in lieu of future installment payments) equal to the present value of all future cash payments due to the Executive under Section 5(c)(i)(B) of this Agreement using the prime commercial lending rate published by the Trustee at the time the Change of Control occurs. The Company and the Executive shall continue to be liable to each other for all of their other respective obligations under this Agreement. In the event that the Executive was a Specified Employee on his Termination Date, if the sum of the payments which the Executive previously received in accordance with Section 5(c)(i)(B) and the payment set forth in this Section 5(c)(ii) exceeds the Separation Pay Limit, any amounts in excess of the Separation Pay Limit shall be paid on the later of (A) the first day following the six (6) month anniversary of the Termination Date and (B) within seven (7) calendar days after the Change of Control. For the avoidance of

doubt, in the event that the provisions of this Section 5(c)(ii) become effective, they shall supersede the provisions of Section 5(c)(i)(B).

(iii) If a Change of Control occurs and (A) the Executive experienced an Involuntary Termination within twelve (12) months prior to the date on which the Change of Control occurs and (B) it is reasonably demonstrated by the Executive that such termination of employment either (a) was at the request of a third party who has taken steps reasonably calculated to effect a Change of Control or (b) otherwise arose in connection with or in anticipation of a Change of Control, then in addition to the payments and benefits set forth in Section 5(c)(i), the Executive shall be entitled to the following: (x) a lump sum payment equal to 50% of the Executive's Base Salary, payable as soon as practicable but no later than sixty (60) days following the Change of Control; provided that if the Executive was a Specified Employee on his Termination Date, such payment shall be paid on the later of (1) as soon as practicable but no later than sixty (60) days following the Change of Control and (2) the first day following the six (6) month anniversary of the Executive's Termination Date; (y) the difference between three (3) times the Target Bonus and two and one-half (2.5) times the Executive's Three-Year Average Bonus amount paid to the Executive pursuant to Section 5(c)(i)(C), which shall be paid as soon as practicable following the Change of Control but no later than March 15 of the calendar year following the calendar year in which the Change of Control occurs; and (z) for purposes of determining the Severance Period for benefits provided under Sections 5(c)(i)(E), (G), and (H), the Executive's Severance Period shall be defined as the thirty-six (36) month period following the Termination Date. Notwithstanding the foregoing, in the event that (A) a Change of Control occurs and payments and benefits become payable to the Executive pursuant to this Section 5(c)(iii); and (B) such Change of Control does not constitute a "change in ownership or effective control" or a change in the "ownership of a substantial portion of assets" under Section 409A of the Code and the rules and regulations issued thereunder, the lump sum payment set forth in (x) above shall be paid on the first anniversary of the Executive's Termination Date.

(iv) If a Change of Control occurs and (A) the Executive's employment was voluntarily terminated within twelve (12) months prior to the date on which the Change of Control occurs; (B) such termination would have constituted a termination for Good Reason if it had occurred within two (2) years following the Change of Control; and (C) it is reasonably demonstrated by the Executive that the circumstances which would have caused the occurrence of Good Reason either (a) were at the request of a third party who had taken steps reasonably calculated to effect a Change of Control or (b) otherwise arose in connection with or in anticipation of a Change of Control, then the Executive shall be entitled to the following (based on a Severance Multiple of three (3) and a Severance Period of thirty-six (36) months from the Termination Date):

(A) A lump sum payment equal to the Executive's Base Salary multiplied by the Severance Multiple payable within sixty (60) days following the Change of Control; provided that, if the sixtieth (60th) day following the Change of Control falls in the calendar year following the calendar year in which the Change of Control occurs, payment will not be made prior to the first day of the

calendar year following the calendar year in which the Change of Control occurs; provided further that, if the Executive is a Specified Employee on the Termination Date, any amounts in excess of the Separation Pay Limit shall be paid to the Executive in a lump sum on the later of (x) the first day following the six (6) month anniversary of the Termination Date and (y) within sixty (60) days following the Change of Control. In the event that (i) a Change of Control occurs and payments and benefits become payable to the Executive pursuant to this Section 5(c)(iv); and (ii) such Change of Control does not constitute a "change in ownership or effective control" or a change in the "ownership of a substantial portion of assets" under Section 409A of the Code and the rules and regulations thereunder, the lump sum payment set forth herein shall be paid on the first anniversary of the Executive's Termination Date;

(B) A lump sum payment equal to the Target Bonus multiplied by the Severance Multiple, payable on the Release Effective Date or as soon thereafter as is practicable, but no later than March 15 of the calendar year following the calendar year in which the Change of Control occurs;

(C) A lump sum payment equal to the pro-rata cash bonus for the year in which the Termination Date occurs which shall be paid (i) when such annual bonuses are paid to non-terminated employees (or, if later, upon the satisfaction of all conditions for the payment of benefits hereunder, but in no event shall such payment occur later than March 15 of the calendar year following the year in which the Change of Control occurs) and (ii) based on the actual attainment of the performance goals under the annual bonus plan for the year in which the Termination Date occurs;

(D) If the Executive continues to receive health benefits (including, medical, prescription, dental, vision and health care reimbursement account benefits) pursuant to the Company's health plans under COBRA and pays the full COBRA premiums, the Company will reimburse the Executive for the COBRA premiums paid for such benefits for the Executive and his family through COBRA (with the exception of any COBRA premiums paid for health care reimbursement account benefits), for the remainder of the Benefits Continuation Period, in accordance with the applicable plans, programs or policies, if any, of the Company or its successor, and on such terms applicable to comparably situated active employees during such period (which shall offset the Company's COBRA obligation, if any); provided that the Executive may continue to

receive health benefits pursuant to the Company's health plans during a period of time in the Benefits Continuation Period during which the Executive would not otherwise be entitled to COBRA continuation coverage under Section 4980B of the Code if the Executive continues to pay premiums for such health benefits, and the Executive shall receive reimbursement for all premiums paid by the Executive for such continued health benefits on the date no later than December 31 of the calendar year immediately following the calendar year in which the applicable expenses have been incurred. If the Executive fails to accept available coverage from another employer or fails to notify the Company (or the Trustee) within thirty (30) days of the Executive's eligibility to receive coverage under another employer's plan, the Executive's reimbursements under this Section 5(c)(iv)(D) shall immediately terminate and the Executive shall cease to be entitled to any such reimbursements under this Agreement and shall be required within three (3) months after such failure to reimburse the Company for the reimbursements paid to the Executive after such failure. In addition, the Executive agrees that the Company may offset against such reimbursement or deduct such reimbursement from any payments due to the Executive in full or partial payment of such reimbursement; provided that, no such offset shall be made in violation of Section 409A of the Code;

(E) A lump sum payment equal to the value of the Company-sponsored outplacement program maintained by the Company immediately prior to the Change of Control, based on the Executive's management level as of the Termination Date, which shall be paid within sixty (60) days following the Change of Control; provided that, if the sixtieth (60th) day following the Change of Control falls in the calendar year following the calendar year in which the Change of Control occurs, payment will not be made prior to the first day of the calendar year following the calendar year in which the Change of Control occurs; provided further that, if the Executive is a Specified Employee on the Termination Date, such amount shall be paid on the later of (x) within sixty (60) days following the Change of Control and (y) the first day following the six (6) month anniversary of the Termination Date. In the event that (i) a Change of Control occurs and payments and benefits become payable to the Executive pursuant to this Section 5(c)(iv); and (ii) such Change of Control does not constitute a "change in ownership or effective control" or a change in the "ownership of a substantial portion of assets" under Section 409A of the Code and the rules and regulations thereunder, the lump sum payment set

forth herein shall be paid on the first anniversary of the Executive's Termination Date;

(F) If the Executive is covered by any Company-sponsored executive life insurance program as of the Termination Date, the Company (or the Trustee) shall continue to pay for the Executive's coverage until the end of the Severance Period. At the end of the Severance Period, the Executive will have thirty-one days (31) from the last day of the Severance Period to convert his life insurance coverage to an individual policy;

(G) If the Executive is covered by any Company-sponsored supplemental long term disability insurance program as of the Termination Date, the Company (or the Trustee) shall continue to pay for the Executive's coverage until the end of the Severance Period. At the end of the Severance Period, the Executive shall be entitled to keep this policy if he continues to pay the annual premiums; and

(H) Any benefits or rights to which the Executive is entitled under any of the Company's stock or equity plans in accordance with the terms and conditions of any such plans.

(I) For the avoidance of doubt, no payments or benefits payable to the Executive pursuant to this Section 5(c)(iv) shall continue beyond the date which is thirty-six (36) months following the Termination Date.

(J) The Executive shall not be entitled to any payments or benefits pursuant to this Section 5 (c)(iv), unless prior to the Executive's Termination Date, the Executive had given the Company notice of the circumstances forming the basis of termination for Good Reason and an opportunity to cure such circumstances in accordance with Sections 1(k) and (m).

On the Termination Date, the Executive shall no longer be eligible to participate in any Company plan, program or policy, other than those described in Section 5(c) including, but not limited to, the Company's long-term incentive plan, short-term disability plan, long-term disability plan, employee stock purchase plan, and business travel accident plan.

(d) TERMINATION FOR CAUSE OR VOLUNTARY TERMINATION. If the Executive's employment is terminated (i) by the Company for Cause, or (ii) voluntarily by the Executive (other than for Good Reason on or after a Change of Control), the Company shall pay or provide to the Executive the Accrued Benefits.

(e) TERMINATION DUE TO A CHANGE OF CONTROL. If, within the two (2) year period commencing on a Change of Control of the Company, (A) the Executive experiences an Involuntary Termination, or (B) the Executive terminates his employment with the Company or a Company Entity for Good Reason, the Executive shall be entitled to receive the compensation and benefits listed below, subject to his compliance with the terms of Section 5(f):

(i) The Company shall pay or provide to the Executive the following payments and benefits:

(A) Any Accrued Benefits payable as soon as practical after the Termination Date;

(B) A lump sum payment equal to the Executive's Base Salary multiplied by the Severance Multiple payable within sixty (60) days following the Termination Date; provided that, if the sixtieth (60th) day following the Termination Date falls in the calendar year following the calendar year in which the Termination Date occurs, payment will not be made prior to the first day of the calendar year following the calendar year in which the Termination Date occurs; provided further that, if the Executive is a Specified Employee on the Termination Date, any amounts payable under this Section 5(e)(i)(B) in excess of the Separation Pay Limit shall be paid to the Executive in a lump sum on the first day following the six (6) month anniversary of the Termination Date;

(C) A lump sum payment equal to the Target Bonus multiplied by the Severance Multiple, payable on the Release Effective Date or as soon thereafter as is practicable, but no later than March 15 of the calendar year following the calendar year in which the Termination Date occurs;

(D) A lump sum payment equal to the pro-rata cash bonus for the year in which the Termination Date occurs which shall be paid (i) when such annual bonuses are paid to non-terminated employees (or, if later, upon the satisfaction of all conditions for the payment of benefits hereunder, but in no event shall such payment occur later than March 15 of the calendar year following the year in which the Termination Date occurs) and (ii) based on the actual attainment of the performance goals under the annual bonus plan for the year in which the Termination Date occurs;

(E) If the Executive continues to receive health benefits (including, medical, prescription, dental, vision and health care reimbursement account benefits) pursuant to the Company's health plans under COBRA and pays the full COBRA premiums, the Company will reimburse the Executive for the COBRA premiums paid for such

benefits for the Executive and his family through COBRA (with the exception of any COBRA premiums paid for health care reimbursement account benefits), for the Benefits Continuation Period, in accordance with the applicable plans, programs or policies, if any, of the Company or its successor, and on such terms applicable to comparably situated active employees during such period (which shall offset the Company's COBRA obligation, if any); provided that the Executive may continue to receive health benefits pursuant to the Company's health plans during a period of time in the Benefits Continuation Period during which the Executive would not otherwise be entitled to COBRA continuation coverage under Section 4980B of the Code if the Executive continues to pay premiums for such health benefits, and the Executive shall receive reimbursement for all premiums paid by the Executive for such continued health benefits on the date no later than December 31 of the calendar year immediately following the calendar year in which the applicable expenses have been incurred. If the Executive fails to accept available coverage from another employer or fails to notify the Company (or the Trustee) within thirty (30) days of Executive's eligibility to receive coverage under another employer's plan, the Executive's reimbursements under this Section 5(e)(i)(E) shall immediately terminate and the Executive shall cease to be entitled to any such reimbursements under this Agreement and shall be required within three (3) months after such failure to reimburse the Company for the reimbursements paid to the Executive after such failure. In addition, the Executive agrees that the Company may offset against such reimbursement or deduct such reimbursement from any payments due to the Executive in full or partial payment of such reimbursement; provided that, no such offset shall be made in violation of Section 409A of the Code;

(F) The Company (or the Trustee) shall pay to the Executive in a lump sum an amount equal to the value of the Company-sponsored outplacement program maintained by the Company immediately prior to the Change of Control, based on the Executive's management level as of the Termination Date, which shall be paid within sixty (60) days following the Termination Date; provided that, if the sixtieth (60th) day following the Termination Date falls in the calendar year following the calendar year in which the Termination Date occurs, payment will not be made prior to the first day of the calendar year following the calendar year in which the Termination Date occurs; provided further that, if the Executive is a Specified Employee on the Termination Date, such amount

shall be paid on the first day following the six (6) month anniversary of the Termination Date;

(G) If the Executive is covered by any Company-sponsored executive life insurance program as of the Termination Date, the Company (or the Trustee) shall continue to pay for the Executive's coverage until the end of the Severance Period. At the end of the Severance Period, the Executive will have thirty-one (31) days from the last day of the Severance Period to convert his life insurance coverage to an individual policy;

(H) If the Executive is covered by any Company-sponsored supplemental long term disability insurance program as of the Termination Date, the Company (or the Trustee) shall continue to pay for the Executive's coverage until the end of the Severance Period. At the end of the Severance Period, the Executive shall be entitled to keep this policy if he continues to pay the annual premiums; and

(I) Any benefits or rights to which the Executive is entitled under any of the Company's stock or equity plans in accordance with the terms and conditions of any such plans.

(ii) In the event that the Executive becomes entitled to payments and benefits pursuant to Section 5(e)(i) in connection with a Change of Control that does not constitute a "change in ownership or effective control" or a change in the "ownership of a substantial portion of the assets" under Section 409A of the Code, and the rulings and regulations issued thereunder, the payments and benefits set forth in Sections 5(e)(i)(B), (C), (D), (E), (G) and (H) herein (in each case, based on a Severance Period of three (3) years from the Termination Date and a Severance Multiple of three (3)), shall be paid in accordance with the schedule set forth in Section 5(c)(i), except as otherwise provided in this Section 5(e)(ii). In addition, the services set forth in Section 5(c)(i)(F) (based on a Severance Period of two and one-half years) shall be provided in lieu of the payment set forth in Section 5(e)(i)(F). Notwithstanding the foregoing, with respect to the payment set forth in Section 5(e)(i)(B), an amount equal to the lesser of (x) the Separation Pay Limit or (y) the amount set forth in Section 5(e)(i)(B) shall be paid to the Executive on the Release Effective Date or as soon thereafter as is practicable, but no later than sixty (60) days following the Termination Date. In the event that the amount set forth in Section 5(e)(i)(B) exceeds the Separation Pay Limit, any excess amounts shall be paid at the time they would have otherwise been paid pursuant to Section 5(c)(i)(B).

On the Termination Date, the Executive shall no longer be eligible to participate in any Company plan, program or policy, other than those described in this Section 5(e)(i) including, but not limited to, the Company's long-term incentive plan, short-term disability plan, long-term disability plan, employee stock purchase plan, and business travel accident plan.

(iii) Effect of Section 280G on Payments.

(A) Reduction in Payments. In the event any Payment (as defined below) would constitute an "excess parachute payment" within the meaning of Section 280G of the Code, the Company shall reduce (but not below zero) the aggregate present value of the Payments under this Agreement to the Reduced Amount (as defined below), if reducing the Payments under this Agreement will provide the Executive with a greater net after-tax amount than would be the case if no reduction was made.

(B) Determining Net After-Tax Amounts. In determining whether a reduction in Payments under this Agreement will provide the Executive with a greater net after-tax amount, the following computations shall be made:

a. The net after-tax benefit to the Executive without any reduction in Payments shall be determined by reducing the Payments by the amount of federal, state, local and other applicable taxes (including the Excise Tax (as defined below)) applicable to the Payments. For these purposes, the tax rates shall be determined using the maximum marginal rate applicable to such Executive for each year in which the Payments shall be paid.

b. The net after-tax benefit to the Executive with a reduction in the Payments to the Reduced Amount shall be determined by applying the tax rates under Section 5(e)(iii)(B)(a), with the exception of the Excise Tax.

(C) Reduction Methodology. In the event a reduction in the Payments to the Reduced Amount will provide the Executive with a greater net after-tax amount, the following shall apply:

a. Reduction of payments. The reduction in the Payments shall be made first by reducing as applicable, but not below zero, the cash payments under Sections 5(c)(i)(B), 5(c)(iv)(A), and 5(e)(i)(B). In the event that such payments are installment payments, each such installment payment shall be reduced pro-rata. The cash payments under Sections 5(c)(i)(C), 5(c)(i)(D), 5(c)(iv)(B), 5(c)(iv)(C), 5(e)(i)(C) and 5(e)(i)(D) shall be reduced next, as applicable, but not below zero. In the event that following reduction of the amounts set forth in the preceding sentence, additional amounts payable to the Executive must be reduced, any payments due to the Executive pursuant to the Company's equity plans shall be reduced on a pro-rata basis, but not below zero.

b. Restrictions. Only amounts payable under this Agreement shall be reduced pursuant to this Section 5(e)(iii). Any reduction shall be made in a manner consistent with the requirements of Section 409A of the Code.

(D) Definitions. For purposes of Section 5(e)(iii), the following definitions shall apply.

a. "Payment" shall mean an amount that is received by the Executive or paid by the Company on his behalf, or represents any property, or any other benefit provided to the Executive under this Agreement or under any other plan, arrangement or agreement with the Company or any other person, and such amount is treated as contingent on a change in control, as provided under Section 280G of the Code.

b. "Reduced Amount" shall mean an amount, as determined under Section 280G of the Code, which does not cause any Payment to be subject to the Excise Tax.

c. "Excise Tax" shall mean the excise tax imposed under Section 4999 of the Code.

(E) Determination of Reduction. All determinations required to be made under this Section 5 (e)(iii) shall be made by a nationally recognized accounting (or compensation and benefits consulting) firm selected by the Company (the "Accounting Firm") which shall provide detailed supporting calculations both to the Company and the Executive within ten (10) business days of the Change of Control. Any such determination by the Accounting Firm shall be binding upon the Company and the Executive. All fees and expenses of the Accounting Firm shall be borne solely by the Company.

(f) ADDITIONAL TERMS

(i) Within fifty (50) days following the Termination Date, the Executive shall execute and agree to be bound by a Release of the Company in a form prepared by the Company, which will include, inter alia, the Executive's general release of known and unknown claims, prior to and as a condition of receiving any payments or benefits (other than the Accrued Benefits) pursuant to this Agreement. If applicable, the Release shall contain provisions required by federal, state or local law (e.g., the Older Worker's Benefit Protection Act) to effectuate a general release of all claims. Notwithstanding anything herein to the contrary, no payments or continued benefits on account of termination of employment hereunder (other than any Accrued Benefits payable in accordance with their terms) shall be made to the Executive prior to the

Release Effective Date. In the event that the Executive does not execute the Release within fifty (50) days following the Termination Date or the Release Effective Date does not occur within sixty (60) days following the Termination Date, the Executive shall not be entitled to any payments or benefits hereunder (other than the Accrued Benefits payable pursuant to their terms); provided that, if the Executive becomes entitled to payments and benefits pursuant to Section 5 (c)(iv), the Executive shall not be entitled to any payments or benefits hereunder in the event the Executive does not execute the Release within fifty (50) days following the Change of Control or the Release Effective Date does not occur within sixty (60) days following the date of the Change of Control.

(ii) As consideration for the Company's offer of this Agreement to the Executive and for other good and valuable consideration, during his employment and upon termination of employment for any reason, the Executive agrees to comply with the restrictive covenants contained in Section 10 of this Agreement. In addition, receipt of the severance payments and benefits set forth in Section 5 is expressly conditioned upon the Executive's continued compliance with Section 10. If the Executive is receiving severance payments and/or benefits under Section 5, and (A) if the Executive is reemployed by the Company (or any subsidiary, affiliate or successor) or breaches this Agreement or the Release, or (B) if the Company (or any subsidiary, affiliate or successor) discovers information that would have permitted the Company to terminate the Executive for Cause or if the Company or any subsidiary, affiliate or successor discovers a breach of Section 10, severance payments and benefits shall immediately cease with respect to such termination. If the severance payments and benefits cease because of re-employment and the Company has paid severance in a lump sum, the Company (or any subsidiary or successor) shall have the right to require that the Executive repay to the applicable entity the value of the severance benefits that would not yet have been paid before re-employment if he had been receiving the severance in semi-monthly installments, and the Executive shall no longer be entitled to any severance payments and benefits with respect to such termination. If severance payments and benefits cease because of a Cause determination or a breach of Section 10, the Company (or any subsidiary or successor) shall have the right to require that the Executive repay to the applicable entity the full value of any previously received severance. The remedies described in this paragraph are in addition to any other remedies that may be available to the Company in the event of the occurrence of any of the circumstances described in this paragraph.

(iii) Upon termination of employment for any reason, the Executive agrees to promptly return all Company property that has come into his possession or control, including, without limitation, computer equipment (including, without limitation, computer hardware, laptop and other computers, software and printers, wireless handheld devices, cellular telephones, pagers, etc.), client and customer information, client and customer lists, employee lists, Company files, notes, contracts, records, business plans, financial information, specifications, computer-recorded information, tangible property, credit cards, entry cards, identification badges, keys, and any other materials of any kind which contain or embody, in whole or in part, any proprietary or confidential material of the Company (and all reproductions thereof), except that Company property shall not include items, if any, listed in a written document signed by the Executive and the Company at or before the time of the Executive's

termination from employment as items to be retained by the Executive. The Executive further agrees that he will leave intact all electronic Company documents, including those which the Executive developed or helped develop during his employment, and that he will promptly cancel all accounts for his benefit, if any, in the Company's name including, without limitation, credit cards, telephone charge cards, cellular telephone accounts, pager accounts, and computer accounts.

(iv) Upon any termination of employment, upon the request of the Company, the Executive shall resign in writing, from all offices, directorships and fiduciary positions of the Executive in which the Executive is serving.

(v) The Executive agrees that, following his Termination Date, except as set forth herein, he shall not be eligible for or entitled to any other incentive compensation award, including any pro rata incentive compensation award, pursuant to the Company's and/or its subsidiaries' or affiliates' incentive compensation plans. The Executive's agreement to this provision is a material consideration for the Company's executing this Agreement.

(g) In the event of the Executive's termination for death or Disability, the Executive and, to the extent applicable, his legal representatives, executors, heirs, legatees and beneficiaries shall have no rights under this Agreement, other than the right to Accrued Benefits, and their sole recourse, if any, shall be under the death or disability provisions of the plans, programs, policies and practices of the Company and/or its subsidiaries and affiliates, as applicable to the Executive. If the Executive dies prior to payment of all severance benefits to which he is entitled, all Company obligations under the Agreement shall cease except for the Accrued Benefits (if unpaid at the time of death).

6. TRUSTS

(a) In order to ensure in the event of a Change of Control that timely payment will be made of certain obligations of the Company to the Executive provided for under this Agreement, the Company shall, immediately prior to or in connection with the consummation of a Change of Control, irrespective of whether the Change of Control constitutes a "change in ownership or effective control" or a change in the "ownership of a substantial portion of the assets" under Section 409A of the Code, and the rulings and regulations issued thereunder, pay into one or more trust(s) (the "Trust(s)") established between the Company and any financial institution with assets in excess of $100 million selected by the Company prior to the Change of Control, as trustee (the "Trustee"), such amounts and at such time or times as are required in order to fully pay all cash amounts due the Executive hereunder that are payable or as are otherwise required pursuant to the terms of the Trust(s), with payment to be made in cash or cash equivalents. Thereafter, all such payments required to be paid hereunder shall be made out of the Trust(s); provided, however, that the Company shall retain liability for and pay the Executive any amounts or provide for such other benefits due the Executive under this Agreement for which there are insufficient funds in the Trust(s), for which no funding of the Trust (s) is required or in the event that the Trustee fails to make such payment to the Executive within the time frames set forth in this Agreement. Prior to the Change of Control, and to the extent necessary because of a change in the Trustee, after the Change of Control, the Company shall provide the Executive with the

name and address of the Trustee. Nothing in this Agreement shall require the Company to maintain the funding required in this section beyond the second anniversary of a Change of Control unless, before such second anniversary, the Executive's employment has terminated in a manner qualifying him for benefits hereunder. The Executive expressly waives any requirement under this Section 6 or otherwise for the Company to fund the Trust(s) if funding would cause him to be taxed under Section 409A(b) of the Code or any successor law.

(b) For purposes of this Agreement, the term "the Company and/or the Trustee" means the Trustee to the extent the Company has put funds in the Trust(s) and the Company to the extent the Company has not funded or fully funded the Trust(s). However, in accordance with subsection (a) above, the Company shall retain liability for and pay the Executive any amounts or provide for such other benefits due the Executive under this Agreement for which the Trustee fails to make adequate payment to the Executive within the time frames set forth in this Agreement.

7. INVENTIONS AND IMPROVEMENTS.

The Executive acknowledges that all ideas, discoveries, inventions and improvements which are made, conceived or reduced to practice by the Executive and every item of knowledge relating to the Company's business interests (including potential business interests) gained by the Executive during the Employment Term are the sole and absolute property of the Company, and the Executive shall promptly disclose and hereby irrevocably assigns all his right, title and interest in and to all such ideas, discoveries, inventions, improvements and knowledge to the Company for its sole use and benefit, without additional compensation, and shall communicate to the Company, without cost or delay, and without publishing the same, all available information relating thereto. The Executive also hereby waives all claims to moral rights in any such ideas, discoveries, inventions, improvements and knowledge. The provisions of this Section 7 shall apply whether such ideas, discoveries, inventions or knowledge are conceived, made, gained or reduced to practice by the Executive alone or with others, whether during or after usual working hours, whether on or off the job, whether applicable to matters directly or indirectly related to the Company's business interests (including potential business interests), and whether or not within the specific realm of the Executive's duties. Any of the Executive's ideas, discoveries, inventions and improvements relating to the Company's business interests or potential business interests and conceived, made or reduced to practice during the Severance Period shall for the purpose of this Agreement, be deemed to have been conceived, made or reduced to practice before the end of the Employment Term. The Executive shall, upon request of the Company, and without further compensation by the Company but at the expense of the Company, at any time during or after his employment with the Company, sign all instruments and documents requested by the Company and otherwise cooperate with the Company and take any actions which are or may be necessary to protect the Company's right to such ideas, discoveries, inventions, improvements and knowledge, including applying for, obtaining and enforcing patents, copyrights and trademark registrations thereon in any and all countries. To the extent this section shall be construed in accordance with the laws of any state which precludes a requirement to assign certain classes of inventions made by an employee, this Section shall be

interpreted not to apply to any invention which a court rules and/or the Company agrees falls within such classes.

8. NO ASSIGNMENTS.

This Agreement shall not be assignable by the Executive. This Agreement shall be assignable by the Company only by merger or in connection with the sale or other disposition of a substantial portion of the assets of the Company. This Agreement shall inure to the benefit and be binding upon the personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees, legatees and permitted assignees of the parties hereto. The Company shall require any successor to all or substantially all of the business and/or assets of the Company, whether directly or indirectly, by purchase, merger, consolidation, acquisition of stock, or otherwise, expressly to assume and agree to perform this Agreement in the same manner and to the same extent as the Company would be required to perform if no such succession had taken place, by a written agreement in form and substance reasonably satisfactory to the Executive, delivered to the Executive within five (5) business days after such succession. As used in this Agreement, “Company” shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

9. NOTICE.

All notices and other communications hereunder, shall be in writing and shall be given to the other party by hand delivery, by overnight express mail or other guaranteed delivery service, or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive: at the Executive’s last address appearing in the payroll/personnel records of the Company.

If to the Company:

Ryder System, Inc.

11690 N.W. 105th Street

Miami, Florida 33178-1103

Attention: General Counsel

or to such other address as either party shall have furnished to the other in writing. Notice and communications shall be effective on the earliest of (i) when actually received by the addressee, (ii) as indicated by an overnight or other receipt, and (iii) the third business day after the notice is dispatched.

10. RESTRICTIVE COVENANTS.

(a) COVENANT OF CONFIDENTIALITY. All documents, records, techniques, business secrets and other information of the Company, its subsidiaries and affiliates which have or will come into the Executive's possession from time to time during the Executive's affiliation with the Company and/or any of its subsidiaries or affiliates and which the Company treats as confidential and proprietary to the Company and/or any of its subsidiaries or affiliates shall be deemed as such by the Executive and shall be the sole and exclusive property of the Company, its subsidiaries and affiliates. The Executive agrees that he will keep confidential and not use or divulge to any other individual or entity any of the Company's or its subsidiaries' or affiliates' confidential information and business secrets, including, but not limited to, such matters as costs, profits, markets, sales, products, product lines, key personnel, pricing policies, operational methods, customers, customer requirements, suppliers, plans for future developments, and other business affairs and methods and other information not readily available to the public. Additionally, the Executive agrees that upon his termination of employment, irrespective of the reason for such termination, he shall promptly return to the Company all confidential and proprietary information of the Company and/or its subsidiaries or affiliates that is in his possession.

The Executive agrees that the terms and provisions of this Agreement, as well as any and all incidents leading to or resulting from this Agreement, are confidential and may not be discussed with anyone other than his spouse, domestic partner, attorney or tax advisor without the prior written consent of the Board, except as required by law. In the event that the Executive is subpoenaed, or asked to provide confidential information or to testify as a witness or to produce documents in any existing or potential legal or administrative or other proceeding or investigation formal or informal related to the Company, to the extent permitted by applicable law, the Executive will promptly notify the Company of such subpoena or request and will, if requested, meet with the Company for a reasonable period of time prior to any such appearance or production.

(b) COVENANT AGAINST COMPETITION. During the Executive's employment with the Company or any subsidiary or affiliate, and thereafter during the longer of: (i) the Severance Period, if any, or (ii) twelve (12) months following the Executive's Termination Date (irrespective of the reason for the Executive's termination and without any reduction or modification), the Executive shall not, without the prior written consent of the Board directly or indirectly engage or become a partner, director, officer, principal, employee, consultant, investor, creditor or stockholder in/for any business, proprietorship, association, firm or corporation not owned or controlled by the Company or its subsidiaries or affiliates which is engaged or proposes to engage or hereafter engages in a business competitive directly or indirectly with the business conducted by the Company or any of its subsidiaries or affiliates in any geographic area in which the Company is or was engaged in or actively planning to engage in business as of the Executive's Termination Date or during the previous twelve (12) month period; provided, however, that the Executive is not prohibited from owning one percent (1%) or less of the outstanding capital stock of any corporation whose stock is listed on a national securities exchange.

(c) COVENANT OF NON-SOLICITATION. During the Executive's employment with the Company or any subsidiary or affiliate, and thereafter during the longer of (i) the Severance Period, if any, or (ii) twelve (12) months following the Executive's Termination Date (irrespective of the reason for the Executive's termination and without any reduction or modification), the Executive shall not, directly or indirectly, in any manner or capacity whatsoever, either on the Executive's own account or for any person, firm or company:

(iii) take away, interfere with relations with, divert or attempt to divert from the Company any business with any customer or account: (x) that was a customer or account on the last day of the Employment Term and/or has been solicited or serviced by the Company within one (1) year prior to the last day of the Employment Term; and (y) with which the Executive had any contact or association, or that was under the supervision of the Executive, or the identity of which was learned by the Executive, as a result of the Executive's employment with the Company, or

(iv) solicit, interfere with or induce, or attempt to induce, any employee or independent contractor of the Company or any of its subsidiaries or affiliates to leave his employment or service with the Company or to breach his employment agreement or other agreement, if any.

(d) COVENANT OF NON-DISPARAGEMENT AND COOPERATION. The Executive agrees not to make any remarks disparaging the conduct or character of the Company or any of its subsidiaries or affiliates, their current or former agents, employees, officers, directors, successors or assigns ("Ryder Parties"), except as may be necessary in the performance of his duties or as is otherwise required by law. The Executive agrees to cooperate with the Company in the investigation, defense or prosecution of any claims or actions now in existence or that may be brought in the future against or on behalf of the Company. Such cooperation shall include meeting with representatives of the Company upon reasonable notice at reasonable times and locations to prepare for discovery or any mediation, arbitration, trial, administrative hearing or other proceeding or to act as a witness. The Company shall reimburse the Executive for travel expenses approved by the Company or its subsidiaries or affiliates incurred in providing such assistance. The Executive shall notify the Company if the Executive is asked to assist, testify or provide information by or to any person, entity or agency in any such proceeding or investigation. Nothing in this provision is intended to or should be construed to prevent the Executive from providing truthful information to any person or entity as required by law or his fiduciary obligations.

(e) SPECIFIC REMEDY. The Executive acknowledges and agrees that if the Executive commits a material breach of the Covenant of Confidentiality or, if applicable, the Covenant Against Competition, the Covenant of Non-Solicitation, or the Covenant of Non-Disparagement and Cooperation, the Company shall have the right to have the covenant specifically enforced through an injunction or otherwise, without any obligation that the Company post a bond or prove actual damages, by any court having appropriate jurisdiction on the grounds that any such breach will cause irreparable injury to the Company, without prejudice to any other rights and remedies that Company may have for a breach of this Agreement, and that

money damages will not provide an adequate remedy to the Company. The Executive further acknowledges and agrees that the Covenant of Confidentiality, the Covenant Against Competition, the Covenant of Non-Solicitation, and the Covenant of Non-Disparagement and Cooperation contained in this Agreement are intended to protect the Company's business interests and goodwill, are fair, do not unreasonably restrict his future employment and business opportunities, and are commensurate with the arrangements set out in this Agreement and with the other terms and conditions of the Executive's employment. In addition, in executing this Agreement, the Executive makes an election to receive severance pay and benefits pursuant to Section 5 and is subject to the covenants above, therefore, the Executive shall have no right to return any amounts or benefits that are already paid or to refuse to accept any amounts or benefits that are payable in the future in lieu of his specific performance of his obligations under the covenants above.

(f) SURVIVAL OF PROVISIONS. The obligations contained in this Section 10 shall survive the termination or expiration of the Executive's employment with the Company for any reason (including Section 5(d) hereof) and shall be fully enforceable thereafter. If it is determined by a court of competent jurisdiction that any restriction in this Section 10 is excessive in duration or scope or extends for too long a period of time or over too great a range of activities or in too broad a geographic area or is unreasonable or unenforceable under the laws of the State of Florida, it is the intention of the parties that such restriction may be modified or amended by the court to render it enforceable to the maximum extent permitted by the laws of the State of Florida.

11. NO MITIGATION/NO OFFSET.

In the event of any termination of employment under this Agreement, the Executive shall be under no obligation to seek other employment and there shall be no offset against any amounts due the Executive under this Agreement on account of any remuneration attributable to any subsequent employment that the Executive may obtain. The amounts payable hereunder shall not be subject to setoff, counterclaim, recoupment, defense or other rights which the Company may have against the Executive or others, except as specifically set forth in Sections 5(c)(i)(E), 5(c)(iv)(D), 5(e)(i)(E), 5(f), 10, and 15, or upon obtaining by the Company of a final unappealable judgment against the Executive, in each case to the extent permitted by Section 409A of the Code.

12. ATTORNEY'S FEES.

To the fullest extent permitted by law, the Company shall promptly pay, upon submission of statements, one-half of all legal and other professional fees, costs of litigation, prejudgment interest, and other expenses in excess of $10,000 in the aggregate incurred in connection with any dispute concerning payments, benefits and other entitlements which the Executive may have under Section 5(c) or 5(e), up to an amount not exceeding $15,000 in the aggregate from the Company; provided, however, the Company shall be reimbursed by the Executive (i) for the fees and expenses advanced in the event the Executive's claim is, in a material manner, in bad faith or frivolous and the court determines that the reimbursement of such fees and expenses is appropriate, or (ii) to the extent that the court determines that such legal and other professional

fees are clearly and demonstrably unreasonable. Any payments made pursuant to this Section 12 shall be limited to expenses incurred on or prior to December 31 of the second calendar year following the calendar year in which the Termination Date occurs, and any payments by the Company made pursuant to this Section 12 shall be made on or prior to December 31 of the third calendar year following the calendar year in which the Termination Date occurs.

13. LIABILITY INSURANCE.

The Company shall cover the Executive under directors and officers liability insurance in the same amount and to the same extent, if any, as the Company covers its other officers and directors.

14. WITHHOLDING.

The Company shall withhold from any and all amounts payable under this Agreement such federal, state and local taxes as may be required to be withheld pursuant to any applicable law or regulation.

15. SECTION 409A OF THE CODE

(a) CONSTRUCTION AND INTERPRETATION. This Agreement shall be construed and interpreted in a manner so as not to trigger adverse tax consequences under Section 409A of the Code and the rulings and regulations issued thereunder. The Company may amend this Agreement in any manner necessary to comply with Section 409A of the Code or any successor law, without the consent of the Executive. Furthermore, to the extent necessary to comply with Section 409A of the Code, the payment terms for any of the payments or benefits payable hereunder may be delayed without the Executive's consent to comply with Section 409A of the Code.

(b) SEPARATION FROM SERVICE REQUIREMENTS. Notwithstanding anything herein to the contrary, the Executive shall not be entitled to any payments or benefits pursuant to this Agreement in the event that his termination of employment does not constitute a "separation from service" as defined by Section 409A of the Code and the regulations issued thereunder. For purposes of determining whether a "separation from service", as defined by Section 409A of the Code, has occurred, pursuant to Treas. Reg. §1.409A-1(h)(3), the Company has elected to use "at least 80 percent" each place it appears in Sections 1563(a)(1), (2), and (3) of the Code and in Treas. Reg. §1.414(c)-2.

(c) DELAYED COMMENCEMENT OF BENEFITS. If the Executive is a Specified Employee at the time of his Termination Date, and the deferral of the commencement of any payments or benefits otherwise payable hereunder is necessary in order to prevent any accelerated or additional tax under Section 409A of the Code, then, to the extent permitted by Section 409A of the Code, the Company will defer the commencement of the payment of any such payments or benefits hereunder until the first day following the six (6) month anniversary of the Termination Date (or the earliest date as is permitted under Section 409A of the Code). If any payments or benefits are deferred due to such requirements, (whether they would have

otherwise been payable in a single sum or in installments in the absence of such deferral) they shall be paid or reimbursed to the Executive in a lump sum on the first day following the six (6) month anniversary of the Termination Date, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein.

(d) PAYMENTS AND REIMBURSEMENTS. Except as otherwise provided herein, any reimbursements or in-kind benefits provided under this Agreement shall be made or provided in accordance with the requirements of Section 409A of the Code, including, where applicable, the requirement that (i) any reimbursement is for expenses incurred during the period of time specified in this Agreement (or, if no such period is specified, the Executive's lifetime), (ii) the amount of expenses eligible for reimbursement, or in kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in kind benefits to be provided, in any other calendar year, (iii) the reimbursement of an eligible expense will be made no later than the last day of the calendar year following the year in which the expense is incurred, and (iv) the right to reimbursement or in kind benefits is not subject to liquidation or exchange for another benefit. In addition, for purposes of the limitations on nonqualified deferred compensation under Section 409A, each payment of compensation under this Agreement shall be treated as a separate payment of compensation for purposes of applying the Section 409A deferral election rules and the exclusion from Section 409A for certain short-term deferral amounts and separation pay. Notwithstanding any other provision set forth herein, any payments which are intended to constitute separation pay due to an involuntary separation from service in accordance with Treas. Reg. §1.409A-1(b)(9)(iii) shall be paid no later than the last day of the second calendar year following the calendar year in which the Termination Date occurs.

(e) COMPANY ENTITY. For purposes of this Agreement, Company Entity means any member of a controlled group of corporations or a group of trades or businesses under common control of which the Company is a member; for purposes of this Section 15(e), a "controlled group of corporations" means a controlled group of corporations as defined in Section 414(b) of the Code and a "group of trades or businesses under common control" means a group of trades or businesses under common control as defined in Section 414(c) of the Code, without any modifications.

16. SECTION HEADINGS.

The Section headings used in this Agreement are included solely for convenience and shall not affect, or be used in connection with, the interpretation of this Agreement.

17. EFFECTIVE DATE; ENTIRE AGREEMENT; TERM.

(a) If, as the of the Execution Date, the Executive has been continuously employed with the Company or any of its subsidiaries or affiliates for a period of at least one (1) year, the Effective Date of this Agreement shall be the Execution Date. If, as of the Execution Date, the Executive has not been continuously employed with the Company or any of its subsidiaries or affiliates, for a period of at least one (1) year, the Effective Date of this Agreement shall be the

one year anniversary of the Executive's continuous employment with the company and/or its subsidiaries or affiliates.

(b) Except as the parties may evidence on a Schedule A to be attached to this Agreement and signed by the Executive and the Company after the date this Agreement is executed, from and after the Effective Date, this Agreement contains the entire understanding and agreement between the parties concerning the subject matter hereof and supersedes all prior agreements, understandings, discussions, negotiations and undertakings, whether written or oral, with respect thereto including, without limitation, any offer letters or employment agreements, or severance or change in control agreements, policies, plans or practices, and any nondisclosure, nonsolicitation, inventions and/or noncompetition agreements between the parties; provided, however, that any rights to indemnification, all stock options or other equity granted to the Executive prior to the Effective Date, and all agreements relating thereto shall remain in full force and effect in accordance with their terms except as otherwise modified herein.

(c) This Agreement shall continue in full force and effect for the duration of the Executive’s employment with the Company; provided, however, that the Company may amend this Agreement (A) upon ninety (90) days notice to Executive solely to: (i) comply with any law, rule, statute, regulation, order, consent decree or other legal restriction or requirement enacted or imposed by any governmental entity (including any relevant court or tribunal); or (ii) avoid any tax or legal consequences negatively impacting the company resulting from the provisions of the Agreement; or (B) upon one (1) years notice to Executive to conform to governance practice(s) that may become prevalent and widely accepted in the future by public companies similar in profile to the Company. Notwithstanding the foregoing, the Company may not amend this Agreement (i) before the date that is two (2) years beyond the month in which a Change of Control occurs; or (ii) anytime after a Termination Date has occurred. The Company’s amendment of this Agreement in accordance with the above provisions shall not be considered a termination of Executive’s employment under this Agreement and shall not give Executive grounds to terminate employment for Good Reason under this Agreement

18. CHOICE OF LAW; JURISDICTION; JURY TRIAL WAIVER.

The validity, interpretation, construction, and performance of this Agreement shall be governed by the laws of the State of Florida without regard to its conflicts of law principles. The parties agree that any suit, action or other legal proceeding that is commenced to resolve any matter arising under or relating to any provision of this Agreement shall be commenced only in a court of the State of Florida (or, if appropriate, a federal court located within the State of Florida), in either case located in Miami, Florida, and the parties consent to the jurisdiction of such court. The parties hereto accept the exclusive jurisdiction and venue of those courts for the purpose of any such suit, action or proceeding. The Company and the Executive each hereby irrevocably waive any right to a trial by jury in any action, suit or other legal proceeding arising under or relating to any provision of this Agreement.

19. SEVERABILITY.

The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof.

20. COUNTERPARTS.

This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instruments.

21. MISCELLANEOUS.

From and after the execution of this Agreement, no provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by the Executive and the Chair of the Compensation Committee of the Board, except as provided in Section 15 above regarding Section 409A of the Code. No waiver by either party at any time of any breach by the other party of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not expressly set forth in this Agreement.

22. GENDER.

All pronouns and any variations thereof refer to the masculine, feminine or neuter, singular or plural as the identity of the person or persons may require.

[Signature Page Follows]

IN WITNESS WHEREOF, the Executive has hereunto set his hand and the Company has caused these presents to be executed in its name on its behalf, and its corporate seal to be hereunto affixed and attested by its assistant secretary, all as of the day and year first above written.

_____ _____

Executive Witness

_____

SAP Number

ATTEST: RYDER SYSTEM, INC.

(the "Company")

_____

Asst. Secretary

(Seal) By: _____

Exhibit 10.1(c)

Form for Executive Officers (other than CEO and Executive Chairman)

AMENDED AND RESTATED

SEVERANCE AGREEMENT

This AMENDED AND RESTATED SEVERANCE AGREEMENT (the "Agreement") is executed on December 17, 2012 ("Execution Date") and is effective as of the date set forth in Section 17 (the "Effective Date"), between Ryder System, Inc., a Florida corporation (the "Company"), and (the "Executive").

WHEREAS, the Company and the Executive entered into a Severance Agreement dated [____, ____], which was amended and restated effective [____, ____] (the "Prior Agreement");

WHEREAS, the Company and the Executive hereby desire to amend and restate the Prior Agreement, in each case on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual promises contained herein and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. DEFINITIONS.

Capitalized terms used in the Agreement and not elsewhere defined shall have the meanings set forth in this Section:

(a) " Accrued Benefits " means (i) earned but unpaid base salary accrued through the Termination Date and any accrued but unpaid vacation time to the extent carried to the Termination Date under Company policy; (ii) unreimbursed expenses incurred in accordance with applicable Company policy through the Termination Date; (iii) unpaid amounts under the terms of any incentive plan in which the Executive participates as of the Termination Date, if and to the extent that the Executive is entitled under the terms of any such plan to receive a payment as of the Termination Date; and (iv) all other payments, benefits or perquisites to which the Executive may be entitled through the Termination Date (including but not limited to rights to indemnification under the Company's By-laws as in effect from time to time), subject to and in accordance with the terms of any applicable compensation arrangement or benefit, or any equity or perquisite arrangement, plan, program or grant.

(b) " Base Salary " means the Executive's annual base salary in effect on the Termination Date, or, on or before the second anniversary of a Change of Control, and if higher, the highest annual base salary in effect during the six (6) month period immediately preceding the Change of Control. Base Salary for this purpose shall not include or reflect bonuses, overtime pay, compensatory time-off, commissions, incentive or deferred compensation, employer contributions towards employee benefits, cost of living adjustment, or any other additional compensation, and shall not be reduced by any contributions made on the Executive's behalf to any plan of the Company under Section 125, 132, 401(k), or any other analogous section of the Code.

(c) " Benefits Continuation Period " means the period for each applicable benefit beginning on the Termination Date and ending on the earliest of (i) the day on which the Executive is eligible to receive coverage for such benefit from a new employer; (ii) the date the Executive cancels his COBRA continuation coverage in accordance with the terms of the relevant plan(s); or (iii) the last day of the Executive's Severance Period.

(d) " Cause " means: (i) fraud, misappropriation or embezzlement by the Executive against the Company or any of its subsidiaries and/or affiliates; (ii) conviction of or plea of guilty or nolo contendere to a felony; (iii) conviction of or plea of guilty or nolo contendere to a misdemeanor involving moral turpitude or dishonesty; (iv) willful failure to report to work for more than thirty (30) continuous days not attributable to eligible vacation or supported by a licensed physician's statement; (v) material breach by the Executive of the provisions of Section 10 of this Agreement (Restrictive Covenants); (vi) willful failure to perform the Executive's key duties or responsibilities; or (vii) any other activity which would constitute grounds for termination for cause by the Company or its subsidiaries or affiliates, including but not limited to material violations of the Company's Principles of Business Conduct or any analogous code of ethics or similar policy. Notwithstanding the foregoing, if a Change of Control has occurred within the two (2) years preceding a Cause determination, "Cause" shall not include subsection (vii) of the preceding sentence, provided that subsection (vii) shall continue to apply to any terminations that are deemed to have retroactively occurred pursuant to Section 5(c)(iii). For the purposes of this Section 1(d), any good faith interpretation by the Company's Board of Directors (the "Board") of the foregoing definition of "Cause" shall be conclusive on the Executive. For purposes of this Agreement "Cause" shall be determined by the Board or its designee, provided that following a Change of Control, "Cause" shall be determined by a majority of the Incumbent Board (as defined in Section 1(e)), or, if there are fewer than three (3) members in the Incumbent Board (excluding the Executive) at the date of such a determination, by the remaining Incumbent Board members, if any, and two-thirds of the members of the Board. Any good faith interpretation that satisfies the foregoing sentence shall be conclusive on the Executive. The Executive shall not have the right to vote or be counted for purposes of the determination of Cause.

(e) " Change of Control " Except as provided below, for the purpose of this Agreement, a "Change of Control" shall be deemed to have occurred if:

(i) any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "1934 Act")) (a "Person") becomes the beneficial owner, directly or indirectly, of thirty percent (30%) or more of the combined voting power of the Company's outstanding voting securities ordinarily having the right to vote for the election of directors of the Company; provided, however, that for purposes of this subparagraph (i), the following acquisitions shall not constitute a Change of Control: (A) any acquisition by any employee benefit plan or plans (or related trust) of the Company and its subsidiaries and affiliates or (B) any acquisition by any corporation pursuant to a transaction which complies with clauses (A), (B) and (C) of subparagraph (iii) of this Section 1(e); or

(ii) the individuals who, as of January 1, 2007, constituted the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board, provided that any person becoming a director subsequent to January 1, 2007 whose election, or nomination for election, was approved by a vote of the persons comprising at least a majority of the Incumbent Board (other than an election or nomination of an individual whose initial assumption of office is in connection with an actual or threatened election contest, as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the 1934 Act (as in effect on January 23, 2000)) shall be, for purposes of this Agreement, considered as though such person were a member of the Incumbent Board; or

(iii) there is a reorganization, merger or consolidation of the Company (a "Business Combination"), in each case, unless, following such Business Combination, (A) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Company's outstanding common stock and outstanding voting securities ordinarily having the right to vote for the election of directors of the Company immediately prior to such Business Combination beneficially own, directly or indirectly, more than fifty percent (50%) of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities ordinarily having the right to vote for the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the Company's outstanding common stock and outstanding voting securities ordinarily having the right to vote for the election of directors of the Company, as the case may be, (B) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan or plans (or related trust) of the Company or such corporation resulting from such Business Combination and their subsidiaries and affiliates) beneficially owns, directly or indirectly, 30% or more of the combined voting power of the then outstanding voting securities of the corporation resulting from such Business Combination and (C) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(iv) there is a liquidation or dissolution of the Company approved by the shareholders; or

(v) there is a sale of all or substantially all of the assets of the Company.

Notwithstanding anything in this Section 1(e) to the contrary, for purposes of Section 5(c)(ii), a Change of Control shall only be deemed to occur if such transactions or events would give rise to a "change in ownership or effective control" or a change in the "ownership of a substantial portion of the assets" under Section 409A of the Code, and the rulings and regulations issued under that Section.

(f) " Code " means the Internal Revenue Code of 1986, as amended, supplemented or substituted from time to time.

(g) " Company Entity " has the meaning set forth in Section 15(e).

(h) " Disability " means (i) the Executive is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months; (ii) the Executive is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan of the Company; or (iii) a determination by the Social Security Administration that the Executive is totally disabled.

(i) " Employment Term " means the Executive's term of employment commencing on the date the Executive was originally hired by the Company and ending on the first to occur of the events specified in Section 4.

(j) " Equity Compensation Opportunities " means the Executive's ability to obtain equity in the Company (or a comparable cash-based incentive program) through a compensatory arrangement. Equity Compensation Opportunities are measured using the valuation method applied by the Company for financial accounting purposes and the Board may take into account in determining that no reduction has occurred any exercises, cashing out, or other liquidity in favor of the Executive that is either triggered by the Executive or occurring in connection with a Change of Control. Changes in the underlying value of the stock shall not be treated as a reduction in the Equity Compensation Opportunities, and the Company may take into account in replacing the value of pre-Change of Control equity compensation with post-Change of Control equity compensation (or a comparable cash-based incentive program) that the Executive may have received value for his equity compensation in the Change of Control.

(k) " Good Reason " only applies within two (2) years following a Change of Control, as defined in Section 1 (e), except as otherwise provided in Section 5(c)(iv), and means the occurrence of any of the following without the Executive's consent: (i) any material reduction in the aggregate value of the Executive's compensation (consisting of the Executive's base salary, target bonus opportunity under the Company's annual bonus plan or program, cash perquisites, and Equity Compensation Opportunities); (ii) the Company's requiring the Executive to be based or to perform services at any site or location more than fifty (50) miles from the site or location at which the Executive is based at the time of the Change of Control, except for travel reasonably required in the performance of his responsibilities (which does not materially exceed the level of travel required of the Executive in the six (6) month period immediately preceding the Change of Control); (iii) any failure by the Company to obtain the assumption and agreement to perform under this Agreement by a successor as contemplated by Section 8; (iv) any failure by the Company to pay into the Trust(s) the amounts and at the time or times as are required pursuant to the terms of Section 6; or (v) any material and adverse changes in the Executive's duties and responsibilities. For the avoidance of doubt, a change in reporting relationship or title shall not constitute "Good Reason."

The Executive's termination of employment shall only constitute a termination for Good Reason if the Executive terminates employment on or prior to the first anniversary of the date on

which the circumstances providing a basis for such termination initially occurred. In addition, the Executive's continued employment shall not constitute consent to, or a waiver of rights with respect to, any circumstance constituting Good Reason, until ninety (90) days have elapsed since the occurrence of the circumstance he would assert constitutes Good Reason, and the Executive has not provided notice in accordance with Section 1(m) prior to the end of such ninety (90) day period.

(l) " Involuntary Termination " means the termination of the Executive's employment by the Company for any reason other than death, Disability or Cause; provided, however, that an Involuntary Termination of his employment shall not occur if:

(i) the termination of the Executive's employment is due to the transfer of his employment between the Company and a Company Entity, or among the Company and one or more Company Entities; or

(ii) the termination results from the sale or transfer of all or a material portion of the operations of the Company or any of its subsidiaries or affiliates (the "Disposed Business") (by means of a stock or asset disposition, or other similar transaction) which sale or transfer does not constitute a Change of Control, and either (a) the Executive's employment is transferred to the purchaser or transferee of the Disposed Business on economic terms and conditions of employment comparable to the economic terms and conditions of employment existing prior to such sale or transfer or (b) Executive terminates his employment with the Company or any of its subsidiaries or affiliates notwithstanding that the Executive received an offer of employment from either the purchaser or transferee of the Disposed Business or the Company or any of its subsidiaries and affiliates, as determined by the Board in its sole discretion, on economic terms and conditions comparable to the economic terms and conditions of employment existing prior to such sale or transfer and whether an offer of employment was made and whether the terms and conditions of such offer are economically equivalent for purposes of this subsection shall be determined by the Board in its discretion; or

(iii) the termination follows a Change of Control and either (a) the Executive's employment is transferred to the purchaser or transferee of the Disposed Business and the obligations of this Agreement are assumed by the purchaser or transferee or (b) the Executive terminates his employment with the Company or any of its subsidiaries or affiliates or does not accept an offer of employment from a purchaser or transferee notwithstanding that the Executive received an offer of employment from either the purchaser or transferee of the Disposed Business or the Company or any of its subsidiaries and affiliates which offer included a continuation of the obligations of this Agreement, as determined by the Company in its sole discretion.

In no event shall an "Involuntary Termination" occur if the Executive terminates his employment with the Company or any of its subsidiaries or affiliates for any reason. In the event of the occurrence of any of the events set forth in subsection (ii) and (iii) above, the Company's obligations under this Agreement shall terminate immediately and the Executive shall not be entitled to any amounts or benefits hereunder but shall still be required to comply with Section 10 hereof. This Agreement shall, however, continue in effect if the Executive's employment is

transferred between or among the Company and Company Entities, as contemplated in subsection (i) above.

(m) " Notice of Termination " means written notice (i) specifying the effective date of the Executive's termination (which shall not be less than thirty (30) days after the date of such notice in the case of a termination on account of Disability or the Executive's voluntary termination other than for Good Reason); (ii) solely with respect to the Executive's terminating for Good Reason, citing the specific provision of this Agreement and the facts and circumstances, in reasonable detail, providing a basis for such termination, provided that if the basis for such Good Reason is capable of being cured by the Company, the Executive will provide the Company with an opportunity to cure the Good Reason within thirty (30) calendar days after receipt of such notice, and (iii) solely with respect to the Company terminating the Executive's employment on account of Disability, its intent to terminate his employment on account of Disability. A Notice of Termination will, as applicable, be provided by or to the Board.

(n) " Release " means a severance agreement and general release in a comprehensive form used by the Company for such purposes at the time of the Executive's separation from employment (a copy of such form as in effect on the date this Agreement is executed is attached to this Agreement by way of example, but the Executive acknowledges that such form may be updated by the Company from time to time). If the Executive is subject to the Older Workers Benefit Protection Act ("OWBPA"), the Release shall be revocable until the end of the seventh (7th) calendar day after Executive executes the Release.

(o) " Release Effective Date " means, if the Executive is covered by the OWBPA on his Termination Date, the later of: (i) the eighth (8th) calendar day after the execution of the Release, provided that the Executive has not revoked the Release prior to such date, or (ii) the Termination Date. If the Executive is not covered by the OWBPA on his Termination Date, the Release Effective Date means the later of: (i) the date on which the Release is executed by the Executive, or (ii) the Termination Date.

(p) " Severance Multiple " means a multiple of one and one-half (1 1/2). On or after a Change of Control, the Severance Multiple shall mean two (2).

(q) " Severance Period " means a period of one and one-half (1 1/2) years following the Termination Date. On or after a Change of Control, the Severance Period shall mean a period of two (2) years following the Termination Date.

(r) " Specified Employee " means an individual deemed to be a "specified employee" in accordance with the policies and procedures adopted by the Company and generally includes any individual who is an officer of the Company.

(s) " Target Bonus " means the stated target incentive award which the Executive is eligible to receive under the Company's annual incentive compensation plan or awards for the year in which the Termination Date occurs.

(t) " Termination Date " means the effective date of the termination of the Executive's employment with the Company and all subsidiaries or affiliates.

(u) " Three-Year Average Bonus " means the average annual cash incentive award paid to the Executive under the Company's annual incentive compensation plan for the prior three (3) calendar years immediately preceding the Termination Date. If the Executive has been employed for less than three (3) full calendar years at the Termination Date, the Three-Year Average Bonus will be based on the average of the actual annual cash incentive award payout percentages over the prior three (3) calendar years for similarly situated executives multiplied by the Executive's Target Bonus.

(v) " Trustee " shall have the meaning ascribed to such term in Section 6 of this Agreement.

2. POSITION/DUTIES.

(a) The Company agrees to continue to employ the Executive in the Executive's capacity as of the Effective Date and with such title as approved by the Board, subject to the terms and conditions outlined in this Agreement. The Executive accepts the continuing employment. The Executive will have those responsibilities, duties, authorities and titles consistent with the Executive's status as an officer of the Company as assigned from time to time by the Board, shall be subject to all rules, policies and procedures of the Company, and shall serve in such other executive capacities, without additional compensation, as may be assigned by the Board from time to time.

(b) During the Employment Term, the Executive shall devote substantially all of his full business time (other than vacation and sick leave), energy and skill in the performance of his duties with the Company. However, this Agreement does not prevent the Executive from (i) managing his and his family's personal passive investments, and (ii) participating in charitable, civic, educational, professional, community or industry affairs or serving on the board of directors of other companies (subject to the consent of the Board), so long as these activities do not materially interfere with the performance of his duties or create a potential actual or perceived conflict of interest or violate Section 10 of this Agreement.

3. PRIOR ARRANGEMENTS.

The parties agree that, as of the Effective Date, all prior employment, separation, severance, termination, change of control, or similar agreements, arrangements, or plans whether oral or written covering the Executive are terminated and superseded and any notice periods with respect to such terminations are deemed satisfied or explicitly waived.

4. TERMINATION.

The Executive's employment and the Employment Term shall terminate on the first of the following to occur:

(a) DISABILITY. Upon thirty (30) days' written notice by the Company to the Executive of termination due to Disability.

(b) DEATH. On the date of death of the Executive.

(c) CAUSE. Immediately upon written notice by the Company to the Executive of a termination for Cause.

(d) INVOLUNTARY TERMINATION WITHOUT CAUSE. Upon written notice by the Company to the Executive of an Involuntary Termination without Cause.

(e) GOOD REASON ON OR AFTER A CHANGE OF CONTROL. On or after the occurrence of a Change of Control, upon written notice by the Executive to the Company of a termination for Good Reason, subject to Section 1(m) and as provided in Section 9.

(f) VOLUNTARY TERMINATION. Upon notice by the Executive to the Company of the Executive's voluntary termination of employment, or on or after a Change of Control, upon notice by the Executive to the Company of the Executive's voluntary termination of employment without Good Reason (which the Company may, in its sole discretion, make effective earlier than the termination date proposed by the Executive), subject to Section 1(m) and as provided in Section 9.

5. CONSEQUENCES OF TERMINATION.

(a) DISABILITY. In the event the Employment Term ends on account of the Executive's Disability, the Company shall pay and provide the Executive any Accrued Benefits.

(b) DEATH. In the event the Employment Term ends due to the Executive's death, the Company shall pay and provide Executive's estate (to the extent that beneficiaries have not been designated under applicable benefit or compensation plans) any Accrued Benefits.

(c) INVOLUNTARY TERMINATION WITHOUT CAUSE NOT DUE TO A CHANGE OF CONTROL. In the event of the Executive's Involuntary Termination not due to a Change of Control, the Executive shall be entitled to receive the compensation listed below, subject to his compliance with the terms and conditions of Section 5(f) ("Additional Terms").

(i) The Company shall pay or provide to the Executive the following payments and benefits:

(A) Any Accrued Benefits payable as soon as practical after the Termination Date, or such other date as their terms require;

(B) Continued payment of the Executive's Base Salary for the applicable Severance Period payable in installments in accordance with the Company's standard payroll practices, but no less frequently than monthly, beginning within sixty (60) days following the Termination Date (with the first payment to include

amounts accrued between the Termination Date and the first payment date); provided that, if the sixtieth (60th) day following the Termination Date falls in the calendar year following the calendar year in which the Termination Date occurs, payments will not commence prior to the first day of the calendar year following the calendar year in which the Termination Date occurs; provided further that, in the event the Executive is a Specified Employee on the Termination Date, payment shall be made in accordance with the following provisions:

a. If the aggregate value of the payments due to the Executive pursuant to this Section 5(c)(i)(B) during the six (6) month period following his Termination Date does not exceed two (2) times the lesser of: (x) the Specified Employee's base salary for the year prior to the year in which the Termination Date occurs; or (y) the maximum amount that may be taken into account under a qualified retirement plan pursuant to Section 401(a)(17) of the Code for the year in which the Termination Date occurs (such amount, the "Separation Pay Limit"), the Executive shall receive continuation of his Base Salary for the Severance Period payable in installments in accordance with the Company's standard payroll practices, but no less frequently than monthly, as set forth above.

b. If the aggregate value of the payments due to the Executive pursuant to this Section 5(c)(i)(B) during the six (6) month period following his Termination Date exceeds the Separation Pay Limit, the Executive shall not receive any payments of continued Base Salary in excess of the Separation Pay Limit during such six (6) month period. Any amounts in excess of the Separation Pay Limit which would have otherwise been paid during the six (6) month period following the Executive's Termination Date shall be paid in a lump sum on the first day following the six (6) month anniversary of the Executive's Termination Date. Beginning with the first payroll cycle occurring on or after the first day following the six (6) month anniversary of the Executive's Termination Date and continuing until the end of the Severance Period, the Executive shall receive continuation payments of the Executive's Base Salary in installments in accordance with the Company's standard payroll practices, but no less frequently than monthly.

c. For purposes of Section 409A of the Code, each installment payment of Base Salary made pursuant to this Section 5(c)(i)(B) shall be treated as a separate payment of compensation.

(C) A lump sum payment equal to (x) the Executive's Three-Year Average Bonus multiplied by (y) the Severance Multiple, payable on the Release Effective Date or as soon thereafter as is reasonably practicable, but in no event shall such payment occur later than March 15 of the calendar year following the year in which the Termination Date occurs;

(D) A lump sum payment equal to the pro-rata cash bonus for the year in which the Termination Date occurs which shall be paid (x) when such annual bonuses are paid to non-terminated employees (or, if later, upon the satisfaction of all conditions for the payment of benefits hereunder, but in no event shall such payment occur later than March 15 of the calendar year following the year in which the Termination Date occurs) and (y) based on the actual attainment of the performance goals under the annual bonus plan for the year in which the Termination Date occurs;

(E) If the Executive continues to receive health benefits (including, medical, prescription, dental, vision and health care reimbursement account benefits) pursuant to the Company's health plans under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, supplemented or substituted from time to time ("COBRA") and pays the full COBRA premiums, the Company will reimburse the Executive for the COBRA premiums paid for such benefits for the Executive and his family through COBRA (with the exception of any COBRA premiums paid for health care reimbursement account benefits), through the Benefits Continuation Period, in accordance with the applicable plans, programs or policies of the Company, and on such terms applicable to comparably situated active employees during such period (which shall offset the Company's COBRA obligation, if any); provided that the Executive may continue to receive health benefits pursuant to the Company's health plans during a period of time in the Benefits Continuation Period during which the Executive would not otherwise be entitled to COBRA continuation coverage under Section 4980B of the Code if the Executive continues to pay premiums for such health benefits, and the Executive shall receive reimbursement for all premiums paid by the Executive for such continued health benefits on the date no later than December 31 of the calendar year immediately following the calendar year in

which the applicable expenses have been incurred. If the Executive fails to accept available coverage from another employer or fails to notify the Company (or following a Change of Control, the Company or the Trustee) within thirty (30) days of the Executive's eligibility to receive coverage under another employer's plan, the Executive's reimbursements under this Section 5(c)(i)(E) shall immediately terminate and the Executive shall cease to be entitled to any such reimbursements under this Agreement and shall be required within three (3) months after such failure to reimburse the Company for the reimbursements paid to the Executive after such failure. In addition, the Executive agrees that the Company may offset against such reimbursement or deduct such reimbursement from any payments due to the Executive in full or partial payment of such reimbursement; provided that no such offset shall be made in violation of Section 409A of the Code;

(F) The Company shall provide the Executive with professional outplacement services as determined in the Company's sole discretion until the earliest of: (w) twenty-four (24) months after the Termination Date, (x) the date on which the Executive obtains another full-time job, (y) the date on which the Executive becomes self-employed, and (z) the date on which the Executive has received all services or benefits due under the applicable Company-sponsored outplacement program. The Company will not pay the Executive cash in lieu of professional outplacement services;

(G) If the Executive is covered by any Company-sponsored executive life insurance program as of the Termination Date, the Company shall continue to pay for the Executive's coverage until the end of the Severance Period. At the end of the Severance Period, the Executive will have thirty-one (31) days from the last day of the Severance Period to convert his life insurance coverage to an individual policy;

(H) If the Executive is covered by any Company-sponsored supplemental long-term disability insurance program as of the Termination Date, the Company shall continue to pay for the Executive's coverage until the end of the Severance Period. At the end of the Severance Period, the Executive shall be entitled to keep this policy if he continues to pay the annual premiums; and

(I) Any benefits or rights to which the Executive is entitled under any of the Company's stock or equity plans in accordance with the terms and conditions of those plans.

(ii) If a Change of Control occurs and the Executive is then receiving, or is entitled to receive, payments and benefits under Section 5(c)(i) of this Agreement as a result of his Involuntary Termination without Cause not due to a Change of Control, the Company shall pay to the Executive in a lump sum, within seven (7) calendar days after the Change of Control, an amount (in lieu of future installment payments) equal to the present value of all future cash payments due to the Executive under Section 5(c)(i)(B) of this Agreement using the prime commercial lending rate published by the Trustee at the time the Change of Control occurs. The Company and the Executive shall continue to be liable to each other for all of their other respective obligations under this Agreement. In the event that the Executive was a Specified Employee on his Termination Date, if the sum of the payments which the Executive previously received in accordance with Section 5(c)(i)(B) and the payment set forth in this Section 5(c)(ii) exceeds the Separation Pay Limit, any amounts in excess of the Separation Pay Limit shall be paid on the later of (A) the first day following the six (6) month anniversary of the Termination Date and (B) within seven (7) calendar days after the Change of Control. For the avoidance of doubt, in the event that the provisions of this Section 5(c)(ii) become effective, they shall supersede the provisions of Section 5(c)(i)(B).

(iii) If a Change of Control occurs and (A) the Executive experienced an Involuntary Termination within twelve (12) months prior to the date on which the Change of Control occurs and (B) it is reasonably demonstrated by the Executive that such termination of employment either (a) was at the request of a third party who has taken steps reasonably calculated to effect a Change of Control or (b) otherwise arose in connection with or in anticipation of a Change of Control, then in addition to the payments and benefits set forth in Section 5(c)(i), the Executive shall be entitled to the following: (x) a lump sum payment equal to 50% of the Executive's Base Salary, payable as soon as practicable but no later than sixty (60) days following the Change of Control; provided that if the Executive was a Specified Employee on his Termination Date, such payment shall be paid on the later of (1) as soon as practicable but no later than sixty (60) days following the Change of Control and (2) the first day following the six (6) month anniversary of the Executive's Termination Date; (y) the difference between two (2) times the Target Bonus and one and one-half (1 1/2) times the Executive's Three-Year Average Bonus amount paid to the Executive pursuant to Section 5(c)(i)(C), which shall be paid as soon as practicable following the Change of Control but no later than March 15 of the calendar year following the calendar year in which the Change of Control occurs; and (z) for purposes of determining the Severance Period for benefits provided under Sections 5(c)(i)(E), (G), and (H), the Executive's Severance Period shall be defined as the twenty-four (24) month period following the Termination Date. Notwithstanding the foregoing, in the event that (A) a Change of Control occurs and payments and benefits become payable to the Executive pursuant to this Section 5(c)(iii); and (B) such Change of Control does not constitute a "change in ownership or effective control" or a change in the "ownership of a substantial portion of assets" under Section 409A of the Code and the rules and regulations issued thereunder, the lump sum

payment set forth in (x) above shall be paid on the first anniversary of the Executive's Termination Date.

(iv) If a Change of Control occurs and (A) the Executive's employment was voluntarily terminated within twelve (12) months prior to the date on which the Change of Control occurs; (B) such termination would have constituted a termination for Good Reason if it had occurred within two (2) years following the Change of Control; and (C) it is reasonably demonstrated by the Executive that the circumstances which would have caused the occurrence of Good Reason either (a) were at the request of a third party who had taken steps reasonably calculated to effect a Change of Control or (b) otherwise arose in connection with or in anticipation of a Change of Control, then the Executive shall be entitled to the following (based on a Severance Multiple of two (2) and a Severance Period of twenty-four (24) months from the Termination Date):

(A) A lump sum payment equal to the Executive's Base Salary multiplied by the Severance Multiple payable within sixty (60) days following the Change of Control; provided that, if the sixtieth (60th) day following the Change of Control falls in the calendar year following the calendar year in which the Change of Control occurs, payment will not be made prior to the first day of the calendar year following the calendar year in which the Change of Control occurs; provided further that, if the Executive is a Specified Employee on the Termination Date, any amounts in excess of the Separation Pay Limit shall be paid to the Executive in a lump sum on the later of (x) the first day following the six (6) month anniversary of the Termination Date and (y) within sixty (60) days following the Change of Control. In the event that (i) a Change of Control occurs and payments and benefits become payable to the Executive pursuant to this Section 5(c)(iv); and (ii) such Change of Control does not constitute a "change in ownership or effective control" or a change in the "ownership of a substantial portion of assets" under Section 409A of the Code and the rules and regulations thereunder, the lump sum payment set forth herein shall be paid on the first anniversary of the Executive's Termination Date;

(B) A lump sum payment equal to the Target Bonus multiplied by the Severance Multiple, payable on the Release Effective Date or as soon thereafter as is practicable, but no later than March 15 of the calendar year following the calendar year in which the Change of Control occurs;

(C) A lump sum payment equal to the pro-rata cash bonus for the year in which the Termination Date occurs which shall be paid (i) when such annual bonuses are paid to non-terminated employees (or, if

later, upon the satisfaction of all conditions for the payment of benefits hereunder, but in no event shall such payment occur later than March 15 of the calendar year following the year in which the Change of Control occurs) and (ii) based on the actual attainment of the performance goals under the annual bonus plan for the year in which the Termination Date occurs;

(D) If the Executive continues to receive health benefits (including, medical, prescription, dental, vision and health care reimbursement account benefits) pursuant to the Company's health plans under COBRA and pays the full COBRA premiums, the Company will reimburse the Executive for the COBRA premiums paid for such benefits for the Executive and his family through COBRA (with the exception of any COBRA premiums paid for health care reimbursement account benefits), for the remainder of the Benefits Continuation Period, in accordance with the applicable plans, programs or policies, if any, of the Company or its successor, and on such terms applicable to comparably situated active employees during such period (which shall offset the Company's COBRA obligation, if any); provided that the Executive may continue to receive health benefits pursuant to the Company's health plans during a period of time in the Benefits Continuation Period during which the Executive would not otherwise be entitled to COBRA continuation coverage under Section 4980B of the Code if the Executive continues to pay premiums for such health benefits, and the Executive shall receive reimbursement for all premiums paid by the Executive for such continued health benefits on the date no later than December 31 of the calendar year immediately following the calendar year in which the applicable expenses have been incurred. If the Executive fails to accept available coverage from another employer or fails to notify the Company (or the Trustee) within thirty (30) days of the Executive's eligibility to receive coverage under another employer's plan, the Executive's reimbursements under this Section 5(c)(iv)(D) shall immediately terminate and the Executive shall cease to be entitled to any such reimbursements under this Agreement and shall be required within three (3) months after such failure to reimburse the Company for the reimbursements paid to the Executive after such failure. In addition, the Executive agrees that the Company may offset against such reimbursement or deduct such reimbursement from any payments due to the Executive in full or partial payment of such reimbursement; provided that, no such offset shall be made in violation of Section 409A of the Code;

(E) A lump sum payment equal to the value of the Company-sponsored outplacement program maintained by the Company immediately prior to the Change of Control, based on the Executive's management level as of the Termination Date, which shall be paid within sixty (60) days following the Change of Control; provided that, if the sixtieth (60th) day following the Change of Control falls in the calendar year following the calendar year in which the Change of Control occurs, payment will not be made prior to the first day of the calendar year following the calendar year in which the Change of Control occurs; provided further that, if the Executive is a Specified Employee on the Termination Date, such amount shall be paid on the later of (x) within sixty (60) days following the Change of Control and (y) the first day following the six (6) month anniversary of the Termination Date. In the event that (i) a Change of Control occurs and payments and benefits become payable to the Executive pursuant to this Section 5(c)(iv); and (ii) such Change of Control does not constitute a "change in ownership or effective control" or a change in the "ownership of a substantial portion of assets" under Section 409A of the Code and the rules and regulations thereunder, the lump sum payment set forth herein shall be paid on the first anniversary of the Executive's Termination Date;

(F) If the Executive is covered by any Company-sponsored executive life insurance program as of the Termination Date, the Company (or the Trustee) shall continue to pay for the Executive's coverage until the end of the Severance Period. At the end of the Severance Period, the Executive will have thirty-one days (31) from the last day of the Severance Period to convert his life insurance coverage to an individual policy;

(G) If the Executive is covered by any Company-sponsored supplemental long term disability insurance program as of the Termination Date, the Company (or the Trustee) shall continue to pay for the Executive's coverage until the end of the Severance Period. At the end of the Severance Period, the Executive shall be entitled to keep this policy if he continues to pay the annual premiums; and

(H) Any benefits or rights to which the Executive is entitled under any of the Company's stock or equity plans in accordance with the terms and conditions of any such plans.

(I) For the avoidance of doubt, no payments or benefits payable to the Executive pursuant to this Section 5(c)(iv) shall continue beyond

the end of the second calendar year following the calendar year in which the Termination Date occurs.

(J) The Executive shall not be entitled to any payments or benefits pursuant to this Section 5 (c)(iv), unless prior to the Executive's Termination Date, the Executive had given the Company notice of the circumstances forming the basis of termination for Good Reason and an opportunity to cure such circumstances in accordance with Sections 1(k) and (m).

On the Termination Date, the Executive shall no longer be eligible to participate in any Company plan, program or policy, other than those described in Section 5(c) including, but not limited to, the Company's long-term incentive plan, short-term disability plan, long-term disability plan, employee stock purchase plan, and business travel accident plan.

(d) TERMINATION FOR CAUSE OR VOLUNTARY TERMINATION. If the Executive's employment is terminated (i) by the Company for Cause, or (ii) voluntarily by the Executive (other than for Good Reason on or after a Change of Control), the Company shall pay or provide to the Executive the Accrued Benefits.

(e) TERMINATION DUE TO A CHANGE OF CONTROL. If, within the two (2) year period commencing on a Change of Control of the Company, (A) the Executive experiences an Involuntary Termination, or (B) the Executive terminates his employment with the Company or a Company Entity for Good Reason, the Executive shall be entitled to receive the compensation and benefits listed below, subject to his compliance with the terms of Section 5(f):

(i) The Company shall pay or provide to the Executive the following payments and benefits:

(A) Any Accrued Benefits payable as soon as practical after the Termination Date;

(B) A lump sum payment equal to the Executive's Base Salary multiplied by the Severance Multiple payable within sixty (60) days following the Termination Date; provided that, if the sixtieth (60th) day following the Termination Date falls in the calendar year following the calendar year in which the Termination Date occurs, payment will not be made prior to the first day of the calendar year following the calendar year in which the Termination Date occurs; provided further that, if the Executive is a Specified Employee on the Termination Date, any amounts payable under this Section 5(e)(i)(B) in excess of the Separation Pay Limit shall be paid to the Executive in a lump sum on the first day following the six (6) month anniversary of the Termination Date;

(C) A lump sum payment equal to the Target Bonus multiplied by the Severance Multiple, payable on the Release Effective Date or as soon thereafter as is practicable, but no later than March 15 of the calendar year following the calendar year in which the Termination Date occurs;

(D) A lump sum payment equal to the pro-rata cash bonus for the year in which the Termination Date occurs which shall be paid (i) when such annual bonuses are paid to non-terminated employees (or, if later, upon the satisfaction of all conditions for the payment of benefits hereunder, but in no event shall such payment occur later than March 15 of the calendar year following the year in which the Termination Date occurs) and (ii) based on the actual attainment of the performance goals under the annual bonus plan for the year in which the Termination Date occurs;

(E) If the Executive continues to receive health benefits (including, medical, prescription, dental, vision and health care reimbursement account benefits) pursuant to the Company's health plans under COBRA and pays the full COBRA premiums, the Company will reimburse the Executive for the COBRA premiums paid for such benefits for the Executive and his family through COBRA (with the exception of any COBRA premiums paid for health care reimbursement account benefits), for the Benefits Continuation Period, in accordance with the applicable plans, programs or policies, if any, of the Company or its successor, and on such terms applicable to comparably situated active employees during such period (which shall offset the Company's COBRA obligation, if any); provided that the Executive may continue to receive health benefits pursuant to the Company's health plans during a period of time in the Benefits Continuation Period during which the Executive would not otherwise be entitled to COBRA continuation coverage under Section 4980B of the Code if the Executive continues to pay premiums for such health benefits, and the Executive shall receive reimbursement for all premiums paid by the Executive for such continued health benefits on the date no later than December 31 of the calendar year immediately following the calendar year in which the applicable expenses have been incurred. If the Executive fails to accept available coverage from another employer or fails to notify the Company (or the Trustee) within thirty (30) days of Executive's eligibility to receive coverage under another employer's plan, the Executive's reimbursements under this Section 5(e)(i)(E) shall immediately terminate and the Executive shall cease to be entitled to any such reimbursements under this Agreement and shall be required within

three (3) months after such failure to reimburse the Company for the reimbursements paid to the Executive after such failure. In addition, the Executive agrees that the Company may offset against such reimbursement or deduct such reimbursement from any payments due to the Executive in full or partial payment of such reimbursement; provided that, no such offset shall be made in violation of Section 409A of the Code;

(F) The Company (or the Trustee) shall pay to the Executive in a lump sum an amount equal to the value of the Company-sponsored outplacement program maintained by the Company immediately prior to the Change of Control, based on the Executive's management level as of the Termination Date, which shall be paid within sixty (60) days following the Termination Date; provided that, if the sixtieth (60th) day following the Termination Date falls in the calendar year following the calendar year in which the Termination Date occurs, payment will not be made prior to the first day of the calendar year following the calendar year in which the Termination Date occurs; provided further that, if the Executive is a Specified Employee on the Termination Date, such amount shall be paid on the first day following the six (6) month anniversary of the Termination Date;

(G) If the Executive is covered by any Company-sponsored executive life insurance program as of the Termination Date, the Company (or the Trustee) shall continue to pay for the Executive's coverage until the end of the Severance Period. At the end of the Severance Period, the Executive will have thirty-one (31) days from the last day of the Severance Period to convert his life insurance coverage to an individual policy;

(H) If the Executive is covered by any Company-sponsored supplemental long term disability insurance program as of the Termination Date, the Company (or the Trustee) shall continue to pay for the Executive's coverage until the end of the Severance Period. At the end of the Severance Period, the Executive shall be entitled to keep this policy if he continues to pay the annual premiums; and

(I) Any benefits or rights to which the Executive is entitled under any of the Company's stock or equity plans in accordance with the terms and conditions of any such plans.

(ii) In the event that the Executive becomes entitled to payments and benefits pursuant to Section 5(e)(i) in connection with a Change of Control that does not constitute a "change in ownership or effective control" or a change in the "ownership of a substantial portion

of the assets" under Section 409A of the Code, and the rulings and regulations issued thereunder, the payments and benefits set forth in Sections 5(e)(i)(B), (C), (D), (E), (G) and (H) herein (in each case, based on a Severance Period of two (2) years from the Termination Date and a Severance Multiple of two (2)), shall be paid in accordance with the schedule set forth in Section 5(c)(i), except as otherwise provided in this Section 5(e)(ii). In addition, the services set forth in Section 5(c)(i)(F) (based on a Severance Period of eighteen (18) months) shall be provided in lieu of the payment set forth in Section 5(e)(i)(F). Notwithstanding the foregoing, with respect to the payment set forth in Section 5(e)(i)(B), an amount equal to the lesser of (x) the Separation Pay Limit or (y) the amount set forth in Section 5(e)(i)(B) shall be paid to the Executive on the Release Effective Date or as soon thereafter as is practicable, but no later than sixty (60) days following the Termination Date. In the event that the amount set forth in Section 5(e)(i)(B) exceeds the Separation Pay Limit, any excess amounts shall be paid at the time they would have otherwise been paid pursuant to Section 5(c)(i)(B).

On the Termination Date, the Executive shall no longer be eligible to participate in any Company plan, program or policy, other than those described in this Section 5(e)(i) including, but not limited to, the Company's long-term incentive plan, short-term disability plan, long-term disability plan, employee stock purchase plan, and business travel accident plan.

(iii) Effect of Section 280G on Payments.

(A) Reduction in Payments. In the event any Payment (as defined below) would constitute an "excess parachute payment" within the meaning of Section 280G of the Code, the Company shall reduce (but not below zero) the aggregate present value of the Payments under this Agreement to the Reduced Amount (as defined below), if reducing the Payments under this Agreement will provide the Executive with a greater net after-tax amount than would be the case if no reduction was made.

(B) Determining Net After-Tax Amounts. In determining whether a reduction in Payments under this Agreement will provide the Executive with a greater net after-tax amount, the following computations shall be made:

a. The net after-tax benefit to the Executive without any reduction in Payments shall be determined by reducing the Payments by the amount of federal, state, local and other applicable taxes (including the Excise Tax (as defined below)) applicable to the Payments. For these purposes, the tax rates shall be determined using the maximum marginal rate applicable to such Executive for each year in which the Payments shall be paid.

b. The net after-tax benefit to the Executive with a reduction in the Payments to the Reduced Amount shall be

determined by applying the tax rates under Section 5(e)(iii)(B)(a), with the exception of the Excise Tax.

(C) Reduction Methodology. In the event a reduction in the Payments to the Reduced Amount will provide the Executive with a greater net after-tax amount, the following shall apply:

a. Reduction of payments. The reduction in the Payments shall be made first by reducing as applicable, but not below zero, the cash payments under Sections 5(c)(i)(B), 5(c)(iv)(A), and 5(e)(i)(B). In the event that such payments are installment payments, each such installment payment shall be reduced pro-rata. The cash payments under Sections 5(c)(i)(C), 5(c)(i)(D), 5(c)(iv)(B), 5(c)(iv)(C), 5(e)(i)(C) and 5(e)(i)(D) shall be reduced next, as applicable, but not below zero. In the event that following reduction of the amounts set forth in the preceding sentence, additional amounts payable to the Executive must be reduced, any payments due to the Executive pursuant to the Company's equity plans shall be reduced on a pro-rata basis, but not below zero.

b. Restrictions. Only amounts payable under this Agreement shall be reduced pursuant to this Section 5(e)(iii). Any reduction shall be made in a manner consistent with the requirements of Section 409A of the Code.

(D) Definitions. For purposes of Section 5(e)(iii), the following definitions shall apply.

a. "Payment" shall mean an amount that is received by the Executive or paid by the Company on his behalf, or represents any property, or any other benefit provided to the Executive under this Agreement or under any other plan, arrangement or agreement with the Company or any other person, and such amount is treated as contingent on a change in control, as provided under Section 280G of the Code.

b. "Reduced Amount" shall mean an amount, as determined under Section 280G of the Code, which does not cause any Payment to be subject to the Excise Tax.

c. "Excise Tax" shall mean the excise tax imposed under Section 4999 of the Code.

(E) Determination of Reduction. All determinations required to be made under this Section 5 (e)(iii) shall be made by a nationally recognized accounting (or compensation and benefits consulting) firm selected by the Company (the "Accounting Firm") which shall provide detailed supporting calculations both to the Company and the Executive within ten (10) business days of the Change of Control. Any such determination by the Accounting Firm shall be binding upon the Company and the Executive. All fees and expenses of the Accounting Firm shall be borne solely by the Company.

(f) ADDITIONAL TERMS

(i) Within fifty (50) days following the Termination Date, the Executive shall execute and agree to be bound by a Release of the Company in a form prepared by the Company, which will include, inter alia, the Executive's general release of known and unknown claims, prior to and as a condition of receiving any payments or benefits (other than the Accrued Benefits) pursuant to this Agreement. If applicable, the Release shall contain provisions required by federal, state or local law (e.g., the Older Worker's Benefit Protection Act) to effectuate a general release of all claims. Notwithstanding anything herein to the contrary, no payments or continued benefits on account of termination of employment hereunder (other than any Accrued Benefits payable in accordance with their terms) shall be made to the Executive prior to the Release Effective Date. In the event that the Executive does not execute the Release within fifty (50) days following the Termination Date or the Release Effective Date does not occur within sixty (60) days following the Termination Date, the Executive shall not be entitled to any payments or benefits hereunder (other than the Accrued Benefits payable pursuant to their terms); provided that, if the Executive becomes entitled to payments and benefits pursuant to Section 5(c)(iv), the Executive shall not be entitled to any payments or benefits hereunder in the event the Executive does not execute the Release within fifty (50) days following the Change of Control or the Release Effective Date does not occur within sixty (60) days following the date of the Change of Control.

(ii) As consideration for the Company's offer of this Agreement to the Executive and for other good and valuable consideration, during his employment and upon termination of employment for any reason, the Executive agrees to comply with the restrictive covenants contained in Section 10 of this Agreement. In addition, receipt of the severance payments and benefits set forth in Section 5 is expressly conditioned upon the Executive's continued compliance with Section 10. If the Executive is receiving severance payments and/or benefits under Section 5, and (A) if the Executive is reemployed by the Company (or any subsidiary, affiliate or successor) or breaches this Agreement or the Release, or (B) if the Company (or any subsidiary, affiliate or successor) discovers information that would have permitted the Company to terminate the Executive for Cause or if the Company or any subsidiary, affiliate or successor discovers a breach of Section 10, severance payments and benefits shall immediately cease with respect to such termination. If the severance payments and benefits cease because of re-employment and the Company has paid severance in a lump sum,

the Company (or any subsidiary or successor) shall have the right to require that the Executive repay to the applicable entity the value of the severance benefits that would not yet have been paid before re-employment if he had been receiving the severance in semi-monthly installments, and the Executive shall no longer be entitled to any severance payments and benefits with respect to such termination. If severance payments and benefits cease because of a Cause determination or a breach of Section 10, the Company (or any subsidiary or successor) shall have the right to require that the Executive repay to the applicable entity the full value of any previously received severance. The remedies described in this paragraph are in addition to any other remedies that may be available to the Company in the event of the occurrence of any of the circumstances described in this paragraph.

(iii) Upon termination of employment for any reason, the Executive agrees to promptly return all Company property that has come into his possession or control, including, without limitation, computer equipment (including, without limitation, computer hardware, laptop and other computers, software and printers, wireless handheld devices, cellular telephones, pagers, etc.), client and customer information, client and customer lists, employee lists, Company files, notes, contracts, records, business plans, financial information, specifications, computer-recorded information, tangible property, credit cards, entry cards, identification badges, keys, and any other materials of any kind which contain or embody, in whole or in part, any proprietary or confidential material of the Company (and all reproductions thereof), except that Company property shall not include items, if any, listed in a written document signed by the Executive and the Company at or before the time of the Executive's termination from employment as items to be retained by the Executive. The Executive further agrees that he will leave intact all electronic Company documents, including those which the Executive developed or helped develop during his employment, and that he will promptly cancel all accounts for his benefit, if any, in the Company's name including, without limitation, credit cards, telephone charge cards, cellular telephone accounts, pager accounts, and computer accounts.

(iv) Upon any termination of employment, upon the request of the Company, the Executive shall resign in writing, from all offices, directorships and fiduciary positions of the Executive in which the Executive is serving.

(v) The Executive agrees that, following his Termination Date, except as set forth herein, he shall not be eligible for or entitled to any other incentive compensation award, including any pro rata incentive compensation award, pursuant to the Company's and/or its subsidiaries' or affiliates' incentive compensation plans. The Executive's agreement to this provision is a material consideration for the Company's executing this Agreement.

(g) In the event of the Executive's termination for death or Disability, the Executive and, to the extent applicable, his legal representatives, executors, heirs, legatees and beneficiaries shall have no rights under this Agreement, other than the right to Accrued Benefits, and their sole recourse, if any, shall be under the death or disability provisions of the plans, programs, policies and practices of the Company and/or its subsidiaries and affiliates, as applicable to the Executive. If the Executive dies prior to payment of all severance benefits to which he is entitled,

all Company obligations under the Agreement shall cease except for the Accrued Benefits (if unpaid at the time of death).

6. TRUSTS

(a) In order to ensure in the event of a Change of Control that timely payment will be made of certain obligations of the Company to the Executive provided for under this Agreement, the Company shall, immediately prior to or in connection with the consummation of a Change of Control, irrespective of whether the Change of Control constitutes a “change in ownership or effective control” or a change in the “ownership of a substantial portion of the assets” under Section 409A of the Code, and the rulings and regulations issued thereunder, pay into one or more trust(s) (the “Trust(s)”) established between the Company and any financial institution with assets in excess of $100 million selected by the Company prior to the Change of Control, as trustee (the “Trustee”), such amounts and at such time or times as are required in order to fully pay all cash amounts due the Executive hereunder that are payable or as are otherwise required pursuant to the terms of the Trust(s), with payment to be made in cash or cash equivalents. Thereafter, all such payments required to be paid hereunder shall be made out of the Trust(s); provided, however, that the Company shall retain liability for and pay the Executive any amounts or provide for such other benefits due the Executive under this Agreement for which there are insufficient funds in the Trust(s), for which no funding of the Trust (s) is required or in the event that the Trustee fails to make such payment to the Executive within the time frames set forth in this Agreement. Prior to the Change of Control, and to the extent necessary because of a change in the Trustee, after the Change of Control, the Company shall provide the Executive with the name and address of the Trustee. Nothing in this Agreement shall require the Company to maintain the funding required in this section beyond the second anniversary of a Change of Control unless, before such second anniversary, the Executive’s employment has terminated in a manner qualifying him for benefits hereunder. The Executive expressly waives any requirement under this Section 6 or otherwise for the Company to fund the Trust(s) if funding would cause him to be taxed under Section 409A(b) of the Code or any successor law.

(b) For purposes of this Agreement, the term “the Company and/or the Trustee” means the Trustee to the extent the Company has put funds in the Trust(s) and the Company to the extent the Company has not funded or fully funded the Trust(s). However, in accordance with subsection (a) above, the Company shall retain liability for and pay the Executive any amounts or provide for such other benefits due the Executive under this Agreement for which the Trustee fails to make adequate payment to the Executive within the time frames set forth in this Agreement.

7. INVENTIONS AND IMPROVEMENTS.

The Executive acknowledges that all ideas, discoveries, inventions and improvements which are made, conceived or reduced to practice by the Executive and every item of knowledge relating to the Company’s business interests (including potential business interests) gained by the Executive during the Employment Term are the sole and absolute property of the Company, and the Executive shall promptly disclose and hereby irrevocably assigns all his right, title and interest in and to all such ideas, discoveries, inventions, improvements and knowledge to the

Company for its sole use and benefit, without additional compensation, and shall communicate to the Company, without cost or delay, and without publishing the same, all available information relating thereto. The Executive also hereby waives all claims to moral rights in any such ideas, discoveries, inventions, improvements and knowledge. The provisions of this Section 7 shall apply whether such ideas, discoveries, inventions or knowledge are conceived, made, gained or reduced to practice by the Executive alone or with others, whether during or after usual working hours, whether on or off the job, whether applicable to matters directly or indirectly related to the Company's business interests (including potential business interests), and whether or not within the specific realm of the Executive's duties. Any of the Executive's ideas, discoveries, inventions and improvements relating to the Company's business interests or potential business interests and conceived, made or reduced to practice during the Severance Period shall for the purpose of this Agreement, be deemed to have been conceived, made or reduced to practice before the end of the Employment Term. The Executive shall, upon request of the Company, and without further compensation by the Company but at the expense of the Company, at any time during or after his employment with the Company, sign all instruments and documents requested by the Company and otherwise cooperate with the Company and take any actions which are or may be necessary to protect the Company's right to such ideas, discoveries, inventions, improvements and knowledge, including applying for, obtaining and enforcing patents, copyrights and trademark registrations thereon in any and all countries. To the extent this section shall be construed in accordance with the laws of any state which precludes a requirement to assign certain classes of inventions made by an employee, this Section shall be interpreted not to apply to any invention which a court rules and/or the Company agrees falls within such classes.

8. NO ASSIGNMENTS.

This Agreement shall not be assignable by the Executive. This Agreement shall be assignable by the Company only by merger or in connection with the sale or other disposition of a substantial portion of the assets of the Company. This Agreement shall inure to the benefit and be binding upon the personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees, legatees and permitted assignees of the parties hereto. The Company shall require any successor to all or substantially all of the business and/or assets of the Company, whether directly or indirectly, by purchase, merger, consolidation, acquisition of stock, or otherwise, expressly to assume and agree to perform this Agreement in the same manner and to the same extent as the Company would be required to perform if no such succession had taken place, by a written agreement in form and substance reasonably satisfactory to the Executive, delivered to the Executive within five (5) business days after such succession. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

9. NOTICE.

All notices and other communications hereunder, shall be in writing and shall be given to the other party by hand delivery, by overnight express mail or other guaranteed delivery service, or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive: at the Executive's last address appearing in the payroll/personnel records of the Company.

If to the Company:

Ryder System, Inc.

11690 N.W. 105th Street

Miami, Florida 33178-1103

Attention: General Counsel

or to such other address as either party shall have furnished to the other in writing. Notice and communications shall be effective on the earliest of (i) when actually received by the addressee, (ii) as indicated by an overnight or other receipt, and (iii) the third business day after the notice is dispatched.

10. RESTRICTIVE COVENANTS.

(a) COVENANT OF CONFIDENTIALITY. All documents, records, techniques, business secrets and other information of the Company, its subsidiaries and affiliates which have or will come into the Executive's possession from time to time during the Executive's affiliation with the Company and/or any of its subsidiaries or affiliates and which the Company treats as confidential and proprietary to the Company and/or any of its subsidiaries or affiliates shall be deemed as such by the Executive and shall be the sole and exclusive property of the Company, its subsidiaries and affiliates. The Executive agrees that he will keep confidential and not use or divulge to any other individual or entity any of the Company's or its subsidiaries' or affiliates' confidential information and business secrets, including, but not limited to, such matters as costs, profits, markets, sales, products, product lines, key personnel, pricing policies, operational methods, customers, customer requirements, suppliers, plans for future developments, and other business affairs and methods and other information not readily available to the public. Additionally, the Executive agrees that upon his termination of employment, irrespective of the reason for such termination, he shall promptly return to the Company all confidential and proprietary information of the Company and/or its subsidiaries or affiliates that is in his possession.

The Executive agrees that the terms and provisions of this Agreement, as well as any and all incidents leading to or resulting from this Agreement, are confidential and may not be discussed with anyone other than his spouse, domestic partner, attorney or tax advisor without the prior written consent of the Board, except as required by law. In the event that the Executive is subpoenaed, or asked to provide confidential information or to testify as a witness or to

produce documents in any existing or potential legal or administrative or other proceeding or investigation formal or informal related to the Company, to the extent permitted by applicable law, the Executive will promptly notify the Company of such subpoena or request and will, if requested, meet with the Company for a reasonable period of time prior to any such appearance or production.

(b) COVENANT AGAINST COMPETITION. During the Executive's employment with the Company or any subsidiary or affiliate, and thereafter during the longer of: (i) the Severance Period, if any, or (ii) twelve (12) months following the Executive's Termination Date (irrespective of the reason for the Executive's termination and without any reduction or modification), the Executive shall not, without the prior written consent of the Board directly or indirectly engage or become a partner, director, officer, principal, employee, consultant, investor, creditor or stockholder in/for any business, proprietorship, association, firm or corporation not owned or controlled by the Company or its subsidiaries or affiliates which is engaged or proposes to engage or hereafter engages in a business competitive directly or indirectly with the business conducted by the Company or any of its subsidiaries or affiliates in any geographic area in which the Company is or was engaged in or actively planning to engage in business as of the Executive's Termination Date or during the previous twelve (12) month period; provided, however, that the Executive is not prohibited from owning one percent (1%) or less of the outstanding capital stock of any corporation whose stock is listed on a national securities exchange.

(c) COVENANT OF NON-SOLICITATION. During the Executive's employment with the Company or any subsidiary or affiliate, and thereafter during the longer of (i) the Severance Period, if any, or (ii) twelve (12) months following the Executive's Termination Date (irrespective of the reason for the Executive's termination and without any reduction or modification), the Executive shall not, directly or indirectly, in any manner or capacity whatsoever, either on the Executive's own account or for any person, firm or company:

(iv) take away, interfere with relations with, divert or attempt to divert from the Company any business with any customer or account: (x) that was a customer or account on the last day of the Employment Term and/or has been solicited or serviced by the Company within one (1) year prior to the last day of the Employment Term; and (y) with which the Executive had any contact or association, or that was under the supervision of the Executive, or the identity of which was learned by the Executive, as a result of the Executive's employment with the Company, or

(v) solicit, interfere with or induce, or attempt to induce, any employee or independent contractor of the Company or any of its subsidiaries or affiliates to leave his employment or service with the Company or to breach his employment agreement or other agreement, if any.

(d) COVENANT OF NON-DISPARAGEMENT AND COOPERATION. The Executive agrees not to make any remarks disparaging the conduct or character of the Company or any of its subsidiaries or affiliates, their current or former agents, employees, officers, directors, successors or assigns ("Ryder Parties"), except as may be necessary in the performance

of his duties or as is otherwise required by law. The Executive agrees to cooperate with the Company in the investigation, defense or prosecution of any claims or actions now in existence or that may be brought in the future against or on behalf of the Company. Such cooperation shall include meeting with representatives of the Company upon reasonable notice at reasonable times and locations to prepare for discovery or any mediation, arbitration, trial, administrative hearing or other proceeding or to act as a witness. The Company shall reimburse the Executive for travel expenses approved by the Company or its subsidiaries or affiliates incurred in providing such assistance. The Executive shall notify the Company if the Executive is asked to assist, testify or provide information by or to any person, entity or agency in any such proceeding or investigation. Nothing in this provision is intended to or should be construed to prevent the Executive from providing truthful information to any person or entity as required by law or his fiduciary obligations.

(e) SPECIFIC REMEDY. The Executive acknowledges and agrees that if the Executive commits a material breach of the Covenant of Confidentiality or, if applicable, the Covenant Against Competition, the Covenant of Non-Solicitation, or the Covenant of Non-Disparagement and Cooperation, the Company shall have the right to have the covenant specifically enforced through an injunction or otherwise, without any obligation that the Company post a bond or prove actual damages, by any court having appropriate jurisdiction on the grounds that any such breach will cause irreparable injury to the Company, without prejudice to any other rights and remedies that Company may have for a breach of this Agreement, and that money damages will not provide an adequate remedy to the Company. The Executive further acknowledges and agrees that the Covenant of Confidentiality, the Covenant Against Competition, the Covenant of Non-Solicitation, and the Covenant of Non-Disparagement and Cooperation contained in this Agreement are intended to protect the Company's business interests and goodwill, are fair, do not unreasonably restrict his future employment and business opportunities, and are commensurate with the arrangements set out in this Agreement and with the other terms and conditions of the Executive's employment. In addition, in executing this Agreement, the Executive makes an election to receive severance pay and benefits pursuant to Section 5 and is subject to the covenants above, therefore, the Executive shall have no right to return any amounts or benefits that are already paid or to refuse to accept any amounts or benefits that are payable in the future in lieu of his specific performance of his obligations under the covenants above.

(f) SURVIVAL OF PROVISIONS. The obligations contained in this Section 10 shall survive the termination or expiration of the Executive's employment with the Company for any reason (including Section 5(d) hereof) and shall be fully enforceable thereafter. If it is determined by a court of competent jurisdiction that any restriction in this Section 10 is excessive in duration or scope or extends for too long a period of time or over too great a range of activities or in too broad a geographic area or is unreasonable or unenforceable under the laws of the State of Florida, it is the intention of the parties that such restriction may be modified or amended by the court to render it enforceable to the maximum extent permitted by the laws of the State of Florida.

11. NO MITIGATION/NO OFFSET.

In the event of any termination of employment under this Agreement, the Executive shall be under no obligation to seek other employment and there shall be no offset against any amounts due the Executive under this Agreement on account of any remuneration attributable to any subsequent employment that the Executive may obtain. The amounts payable hereunder shall not be subject to setoff, counterclaim, recoupment, defense or other rights which the Company may have against the Executive or others, except as specifically set forth in Sections 5(c)(i)(E), 5(c)(iv)(D), 5(e)(i)(E), 5(f), 10, and 15, or upon obtaining by the Company of a final unappealable judgment against the Executive, in each case to the extent permitted by Section 409A of the Code.

12. ATTORNEY'S FEES.

To the fullest extent permitted by law, the Company shall promptly pay, upon submission of statements, one-half of all legal and other professional fees, costs of litigation, prejudgment interest, and other expenses in excess of $10,000 in the aggregate incurred in connection with any dispute concerning payments, benefits and other entitlements which the Executive may have under Section 5(c) or 5(e), up to an amount not exceeding $15,000 in the aggregate from the Company; provided, however, the Company shall be reimbursed by the Executive (i) for the fees and expenses advanced in the event the Executive's claim is, in a material manner, in bad faith or frivolous and the court determines that the reimbursement of such fees and expenses is appropriate, or (ii) to the extent that the court determines that such legal and other professional fees are clearly and demonstrably unreasonable. Any payments made pursuant to this Section 12 shall be limited to expenses incurred on or prior to December 31 of the second calendar year following the calendar year in which the Termination Date occurs, and any payments by the Company made pursuant to this Section 12 shall be made on or prior to December 31 of the third calendar year following the calendar year in which the Termination Date occurs.

13. LIABILITY INSURANCE.

The Company shall cover the Executive under directors and officers liability insurance in the same amount and to the same extent, if any, as the Company covers its other officers and directors.

14. WITHHOLDING.

The Company shall withhold from any and all amounts payable under this Agreement such federal, state and local taxes as may be required to be withheld pursuant to any applicable law or regulation.

15. SECTION 409A OF THE CODE

(a) CONSTRUCTION AND INTERPRETATION. This Agreement shall be construed and interpreted in a manner so as not to trigger adverse tax consequences under Section 409A of the Code and the rulings and regulations issued thereunder. The Company may amend this Agreement in any manner necessary to comply with Section 409A of the Code or any successor law, without the consent of the Executive. Furthermore, to the extent necessary to

comply with Section 409A of the Code, the payment terms for any of the payments or benefits payable hereunder may be delayed without the Executive's consent to comply with Section 409A of the Code.

(b) SEPARATION FROM SERVICE REQUIREMENTS. Notwithstanding anything herein to the contrary, the Executive shall not be entitled to any payments or benefits pursuant to this Agreement in the event that his termination of employment does not constitute a "separation from service" as defined by Section 409A of the Code and the regulations issued thereunder. For purposes of determining whether a "separation from service", as defined by Section 409A of the Code, has occurred, pursuant to Treas. Reg. §1.409A-1(h)(3), the Company has elected to use "at least 80 percent" each place it appears in Sections 1563(a)(1), (2), and (3) of the Code and in Treas. Reg. §1.414(c)-2.

(c) DELAYED COMMENCEMENT OF BENEFITS. If the Executive is a Specified Employee at the time of his Termination Date, and the deferral of the commencement of any payments or benefits otherwise payable hereunder is necessary in order to prevent any accelerated or additional tax under Section 409A of the Code, then, to the extent permitted by Section 409A of the Code, the Company will defer the commencement of the payment of any such payments or benefits hereunder until the first day following the six (6) month anniversary of the Termination Date (or the earliest date as is permitted under Section 409A of the Code). If any payments or benefits are deferred due to such requirements, (whether they would have otherwise been payable in a single sum or in installments in the absence of such deferral) they shall be paid or reimbursed to the Executive in a lump sum on the first day following the six (6) month anniversary of the Termination Date, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein.

(d) PAYMENTS AND REIMBURSEMENTS. Except as otherwise provided herein, any reimbursements or in-kind benefits provided under this Agreement shall be made or provided in accordance with the requirements of Section 409A of the Code, including, where applicable, the requirement that (i) any reimbursement is for expenses incurred during the period of time specified in this Agreement (or, if no such period is specified, the Executive's lifetime), (ii) the amount of expenses eligible for reimbursement, or in kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in kind benefits to be provided, in any other calendar year, (iii) the reimbursement of an eligible expense will be made no later than the last day of the calendar year following the year in which the expense is incurred, and (iv) the right to reimbursement or in kind benefits is not subject to liquidation or exchange for another benefit. In addition, for purposes of the limitations on nonqualified deferred compensation under Section 409A, each payment of compensation under this Agreement shall be treated as a separate payment of compensation for purposes of applying the Section 409A deferral election rules and the exclusion from Section 409A for certain short-term deferral amounts and separation pay. Notwithstanding any other provision set forth herein, any payments which are intended to constitute separation pay due to an involuntary separation from service in accordance with Treas. Reg. §1.409A-1(b)(9)(iii) shall be paid no later than the last day of the second calendar year following the calendar year in which the Termination Date occurs.

(e) COMPANY ENTITY. For purposes of this Agreement, Company Entity means any member of a controlled group of corporations or a group of trades or businesses under common control of which the Company is a member; for purposes of this Section 15(e), a “controlled group of corporations” means a controlled group of corporations as defined in Section 414(b) of the Code and a “group of trades or businesses under common control” means a group of trades or businesses under common control as defined in Section 414(c) of the Code, without any modifications.

16. SECTION HEADINGS.

The Section headings used in this Agreement are included solely for convenience and shall not affect, or be used in connection with, the interpretation of this Agreement.

17. EFFECTIVE DATE; ENTIRE AGREEMENT; TERM.

(a) If, as the of the Execution Date, the Executive has been continuously employed with the Company or any of its subsidiaries or affiliates for a period of at least one (1) year, the Effective Date of this Agreement shall be the Execution Date. If, as of the Execution Date, the Executive has not been continuously employed with the Company or any of its subsidiaries or affiliates, for a period of at least one (1) year, the Effective Date of this Agreement shall be the one year anniversary of the Executive's continuous employment with the company and/or its subsidiaries or affiliates.

(b) Except as the parties may evidence on a Schedule A to be attached to this Agreement and signed by the Executive and the Company after the date this Agreement is executed, from and after the Effective Date, this Agreement contains the entire understanding and agreement between the parties concerning the subject matter hereof and supersedes all prior agreements, understandings, discussions, negotiations and undertakings, whether written or oral, with respect thereto including, without limitation, any offer letters or employment agreements, or severance or change in control agreements, policies, plans or practices, and any nondisclosure, nonsolicitation, inventions and/or noncompetition agreements between the parties; provided, however, that any rights to indemnification, all stock options or other equity granted to the Executive prior to the Effective Date, and all agreements relating thereto shall remain in full force and effect in accordance with their terms except as otherwise modified herein.

(c) This Agreement shall continue in full force and effect for the duration of the Executive’s employment with the Company; provided, however, that the Company may amend this Agreement (A) upon ninety (90) days notice to Executive solely to: (i) comply with any law, rule, statute, regulation, order, consent decree or other legal restriction or requirement enacted or imposed by any governmental entity (including any relevant court or tribunal); or (ii) avoid any tax or legal consequences negatively impacting the company resulting from the provisions of the Agreement; or (B) upon one (1) years notice to Executive to conform to governance practice(s) that may become prevalent and widely accepted in the future by public companies similar in profile to the Company. Notwithstanding the foregoing, the Company may not amend this Agreement (i) before the date that is two (2) years beyond the month in which a Change of Control occurs; or (ii) anytime after a Termination Date has occurred. The Company’s

amendment of this Agreement in accordance with the above provisions shall not be considered a termination of Executive's employment under this Agreement and shall not give Executive grounds to terminate employment for Good Reason under this Agreement.

18. CHOICE OF LAW; JURISDICTION; JURY TRIAL WAIVER.

The validity, interpretation, construction, and performance of this Agreement shall be governed by the laws of the State of Florida without regard to its conflicts of law principles. The parties agree that any suit, action or other legal proceeding that is commenced to resolve any matter arising under or relating to any provision of this Agreement shall be commenced only in a court of the State of Florida (or, if appropriate, a federal court located within the State of Florida), in either case located in Miami, Florida, and the parties consent to the jurisdiction of such court. The parties hereto accept the exclusive jurisdiction and venue of those courts for the purpose of any such suit, action or proceeding. The Company and the Executive each hereby irrevocably waive any right to a trial by jury in any action, suit or other legal proceeding arising under or relating to any provision of this Agreement.

19. SEVERABILITY.

The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof.

20. COUNTERPARTS.

This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instruments.

21. MISCELLANEOUS.

From and after the execution of this Agreement, no provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by the Executive and the Chair of the Compensation Committee of the Board, except as provided in Section 15 above regarding Section 409A of the Code. No waiver by either party at any time of any breach by the other party of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not expressly set forth in this Agreement.

22. GENDER.

All pronouns and any variations thereof refer to the masculine, feminine or neuter, singular or plural as the identity of the person or persons may require.

[Signature Page Follows]

IN WITNESS WHEREOF, the Executive has hereunto set his hand and the Company has caused these presents to be executed in its name on its behalf, and its corporate seal to be hereunto affixed and attested by its assistant secretary, all as of the day and year first above written.

_____ _____

Executive Witness

_____

SAP Number

ATTEST: RYDER SYSTEM, INC.

(the "Company")

_____

Asst. Secretary

(Seal) By: _____

[_____]

Chief Executive Officer

Exhibit 10.1(d)

RYDER SYSTEM, INC.

EXECUTIVE SEVERANCE PLAN

Effective

January 1, 2013

RYDER SYSTEM, INC.

EXECUTIVE SEVERANCE PLAN

Effective as of January 1, 2007
Amended and Restated Effective as of January 1, 2013

PREAMBLE

Ryder System, Inc. (the " Company ") adopted the Ryder System, Inc. Executive Severance Plan (the " Plan ") to set forth its severance pay policy as it applies to Eligible Employees (as defined below) of the Company and all of its subsidiaries and affiliates effective as of January 1, 2007 for employees elected and promoted to or employed as an officer on or after January 1, 2007, and January 31, 2008 for employees who were already serving as officers on or before December 31, 2006 (each shall be considered an " Effective Date "), unless otherwise prohibited by law. The Plan was amended and restated effective January 1, 2009 to ensure compliance with Section 409A of the Code (as defined below) and the regulations and guidance promulgated thereunder. The Company hereby amends and restates the Plan effective January 1, 2013 to ensure that certain payments to "Covered Employees" as that term is defined in Section 162(m) of the Code, qualify as "performance-based compensation" for purposes of Section 162(m) of the Code. As used herein, the masculine pronoun shall include the feminine, and the singular shall include the plural, unless a contrary meaning is clearly intended.

The Plan is intended to fall within the definition of a top hat "employee welfare benefit plan" under Section 3(1) of the Employee Retirement Income Security Act of 1974, as amended (" ERISA "). This document is intended to serve as the Plan document and the summary plan description of the Plan. This document supersedes and replaces any prior plan, summary plan descriptions, agreements (whether oral or written), summaries, policies, publications, memos or notices regarding the Plan and any other severance, termination, or separation benefits (including such benefits payable after a Change of Control (as defined below)) for Eligible Employees.

All rights of Participants (as defined below) to benefits relating to this Plan shall be governed by the Plan and the executed agreement and general release executed by the Company and the Participant in connection with a Participant's termination of employment. Any employee who participates in this Plan shall not be entitled to any severance, separation, notice, or termination benefits under any other severance or change of control policy, plan, agreement or practice of (i) the Company (including any previously executed severance, employment or change of control severance agreements); (ii) any predecessor agreement; or (iii) any respective subsidiary or affiliate thereof, or pursuant to which the Company is bound or obligated to provide such benefits. Except as set forth in this Plan, all such other severance (whether voluntary or involuntary) or change of control policies, plans, agreements and practices of the Company or any of its subsidiaries or affiliates in effect for Eligible Employees prior to the applicable Effective Date of this Plan shall be deemed amended and superseded in their entirety by this Plan to the extent that they would provide benefits to Participants upon their termination of employment.

In the event that the terms of the Plan are inconsistent with other documents or other written or verbal communications provided by the Company or its representatives with respect to this severance program, the terms of the Plan shall govern. The Plan may not be amended or changed except in accordance with the provisions set forth below.

Section 1

Definitions

Capitalized terms used in the Plan and not elsewhere defined herein shall have the meanings set forth in this Section:

1.1 " Accrued Benefits " means (i) earned but unpaid base salary accrued through the Termination Date and any accrued but unpaid vacation time to the extent carried to the Termination Date under Company policy; (ii) unreimbursed expenses incurred in accordance with applicable Company policy through the Termination Date; (iii) unpaid amounts under the terms of any incentive plan in which the Participant participates as of the Termination Date, if and to the extent that the Participant is entitled under the terms of any such plan to receive a payment as of the Termination Date; and (iv) all other payments, benefits or perquisites to which the Participant may be entitled through the Termination Date, subject to and in accordance with, the terms of any applicable compensation arrangement or benefit, or any equity or perquisite arrangement, plan, program or grant.

1.2 " Base Salary " means the Participant's annual base salary in effect on the Termination Date, or, on or before the second anniversary of a Change of Control, and if higher, the highest annual base salary in effect during the six (6) month period immediately preceding the Change of Control. Base Salary for this purpose shall not include or reflect bonuses, overtime pay, compensatory time-off, commissions, incentive or deferred compensation, employer contributions towards employee benefits, cost of living adjustment, or any other additional compensation, and shall not be reduced by any contributions made on the Participant's behalf to any plan of the Company under Section 125, 132, 401(k), or any other analogous section of the Code.

1.3 " Benefits Continuation Period " means the period for each applicable benefit beginning on the Termination Date and ending on the earliest of (i) the day on which the Participant is eligible to receive coverage for such benefit from a new employer; (ii) the date the Participant cancels his COBRA continuation coverage in accordance with the terms of the relevant plan(s); or (iii) the last day of the Participant's Severance Period.

1.4 " Cause " means: (i) fraud, misappropriation, or embezzlement by the Participant against the Company or any of its subsidiaries and/or affiliates, (ii) conviction of or plea of guilty or nolo contendere to a felony, (iii) conviction of or plea of guilty or nolo contendere to a misdemeanor involving moral turpitude or dishonesty, (iv) willful failure to report to work for more than thirty (30) continuous days not attributable to eligible vacation or supported by a licensed physician's statement, (v) a material breach by the Participant of Section 9 of this Plan (Restrictive Covenants), (vi) willful failure to perform the Participant's key job duties or responsibilities, or (vii) any other activity which would constitute grounds for termination for cause by the Company

or its subsidiaries or affiliates, including but not limited to material violations of the Company's Principles of Business Conduct or any analogous code of ethics or similar policy. Notwithstanding the foregoing, if a Change of Control has occurred within one year preceding a Cause determination, "Cause" shall not include subsections (vi) or (vii) of the preceding sentence, provided that subsections (vi) and (vii) shall continue to apply to any terminations that are deemed to have retroactively occurred pursuant to Section 5.3(b). For the purposes of this Section 1.4, any good faith interpretation by the Company of the foregoing definition of "Cause" shall be conclusive on the Participant. For purposes of the Plan "Cause" shall be determined by such Participant's direct supervisor and the Chief Human Resources Officer (" CHRO "). In the event that a Participant is a direct report to the CHRO, then the decision shall be made by the CHRO and the Chief Financial Officer.

1.5 " Change of Control " Except as provided below, for the purpose of this Plan, a "Change of Control" shall be deemed to have occurred if:

(a) any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the " 1934 Act ")) (a " Person ") becomes the beneficial owner, directly or indirectly, of thirty percent (30%) or more of the combined voting power of the Company's outstanding voting securities ordinarily having the right to vote for the election of directors of the Company; provided, however, that for purposes of this subparagraph (a), the following acquisitions shall not constitute a Change of Control: (i) any acquisition by any employee benefit plan or plans (or related trust) of the Company and its subsidiaries and affiliates or (ii) any acquisition by any corporation pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subparagraph (c) of this Section 1.5; or

(b) the individuals who, as of January 1, 2007 **,** constituted the Board of Directors of the Company (the " Board " generally and as of January 1, 2007, the " Incumbent Board ") cease for any reason to constitute at least a majority of the Board, provided that any person becoming a director subsequent to January 1, 2007 whose election, or nomination for election, was approved by a vote of the persons comprising at least a majority of the Incumbent Board (other than an election or nomination of an individual whose initial assumption of office is in connection with an actual or threatened election contest, as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the 1934 Act (as in effect on January 23, 2000)), shall be, for purposes of this Plan, considered as though such person were a member of the Incumbent Board; or

(c) there is a reorganization, merger or consolidation of the Company (a " Business Combination "), in each case, unless, following such Business Combination, (i) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Company's outstanding common stock and outstanding voting securities ordinarily having the right to vote for the election of directors of the Company immediately prior to such Business Combination beneficially own, directly or indirectly, more than fifty percent (50%) of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities ordinarily having the right

to vote for the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the Company's outstanding common stock and outstanding voting securities ordinarily having the right to vote for the election of directors of the Company, as the case may be, (ii) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan or plans (or related trust) of the Company or such corporation resulting from such Business Combination and their subsidiaries and affiliates) beneficially owns, directly or indirectly, 30% or more of the combined voting power of the then outstanding voting securities of the corporation resulting from such Business Combination and (iii) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(d) there is a liquidation or dissolution of the Company approved by the shareholders; or

(e) there is a sale of all or substantially all of the assets of the Company.

Notwithstanding anything in this Section 1.5 to the contrary, for purposes of Sections 5.3(a), a Change of Control shall only be deemed to occur if such transactions or events would give rise to a "change in ownership or effective control" or a change in the "ownership of a substantial portion of the assets" under Section 409A of the Code, and the rulings and regulations issued thereunder.

1.6 " Change of Control Termination " means (i) an Involuntary Termination or (ii) a termination of the Participant's employment by the Participant for Good Reason, either of which occurs within twelve (12) months after a Change of Control.

1.7 " Code " means the Internal Revenue Code of 1986, as amended, supplemented or substituted from time to time.

1.8 " Committee " means the Compensation Committee of the Company's Board of Directors.

1.9 " Company Entity " has the meaning set forth in Section 13.7(e).

1.10 " Disability " means (i) the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than

twelve (12) months; (ii) the Participant is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan of the Company; or (iii) a determination by the Social Security Administration that a Participant is totally disabled.

1.11 " Eligible Employees " means (i) all active officers of the Company employed or residing in the United States in a management level 14 or above (or other classification designating officer status, as those classifications may change from time to time), and (ii) who have not entered into any agreements or arrangements providing severance or change of control benefits with the Company.

1.12 " Equity Compensation Opportunities " means the Participant's ability to obtain equity in the Company (or a comparable cash-based incentive program) through a compensatory arrangement. Equity Compensation Opportunities are measured using the valuation method applied by the Company for financial accounting purposes and the Board may take into account in determining that no reduction has occurred any exercises, cashing out, or other liquidity in favor of the Participant that is either triggered by the Participant or occurring in connection with a Change of Control. Changes in the underlying value of the stock shall not be treated as a reduction in the Equity Compensation Opportunities, and the Company may take into account in replacing the value of pre-Change of Control equity compensation with post-Change of Control equity compensation (or a comparable cash-based incentive program) that the Participant may have received value for his equity compensation in the Change of Control.

1.13 " ERISA " means the Employee Retirement Income Security Act of 1974, as amended, supplemented or substituted from time to time.

1.14 " Good Reason " only applies within one (1) year following a Change of Control, except as otherwise provided in Section 5.3(c), and only occurs when, without the Participant's consent, the Company: (i) requires the Participant to be based or to perform services at any site or location more than fifty (50) miles from the site or location at which the Participant is based at the time of the Change of Control, except for travel reasonably required in the performance of the Participant's responsibilities (which does not materially exceed the level of travel required of the Participant in the six (6) month period immediately preceding the Change of Control), or (ii) materially reduces the aggregate value of the compensation (which includes the Participant's base salary, target bonus opportunity under the Company's annual bonus plan or program, Equity Compensation Opportunities and cash perquisites), payable to the Participant, or (iii) materially and adversely changes the Participant's duties and responsibilities. For the avoidance of doubt, a change in reporting relationship or title shall not constitute "Good Reason." A Participant's termination of employment shall only constitute a termination for Good Reason if the Participant terminates employment on or prior to the first anniversary of the date on which the circumstances providing a basis for such termination initially occurred. In addition, the Participant's continued employment shall not constitute consent to, or a waiver of rights with respect to, any circumstance surrounding Good Reason until ninety (90) days have elapsed since the occurrence of the

circumstance he would assert constitutes Good Reason and the Participant has not provided notice in accordance with Section 1.16 prior to the end of such ninety (90) day period.

1.15 " Involuntary Termination " means the termination of a Participant's employment by the Company for any reason other than death, Disability or Cause; provided, however, that an Involuntary Termination of a Participant's employment shall not occur if:

(a) the termination of the Participant's employment is due to the transfer of the Participant's employment between the Company and a Company Entity, or among the Company and one or more Company Entities;

(b) the termination results from the sale or transfer of all or any portion of the operations of the Company or any of its subsidiaries and affiliates (the " Disposed Business ") (by means of a stock or asset disposition, or other similar transaction) which sale or transfer does not constitute a Change of Control, and either (i) the Participant's employment is transferred to the purchaser or transferee of the Disposed Business or (ii) the Participant terminates his employment with the Company or any of its subsidiaries or affiliates notwithstanding that the Participant received an offer of employment from either the purchaser or transferee of the Disposed Business or the Company or any of its subsidiaries and affiliates, as determined by the Company in its sole discretion; or

(c) the termination follows a Change of Control and either (i) the Participant's employment is transferred to the purchaser or transferee of the Disposed Business and the obligations of this Plan are assumed by the purchaser or transferee or (ii) the Participant terminates his employment with the Company or any of its subsidiaries or affiliates or does not accept an offer of employment from a purchaser or transferee notwithstanding that the Participant received an offer of employment from either the purchaser or transferee of the Disposed Business or the Company or any of its subsidiaries and affiliates which offer included a continuation of the obligations of this Plan, as determined by the Company in its sole discretion.

In no event shall an "Involuntary Termination" occur if the Participant terminates his employment with the Company or any of its subsidiaries or affiliates for any reason. In the event of the occurrence of any of the events set forth in subsection (b) and (c) above, the Company's obligations under this Plan shall terminate immediately and the Participant shall not be entitled to any amounts or benefits hereunder but shall still be required to comply with Section 9 hereof. This Plan shall, however, continue in effect if the Participant's employment is transferred between or among the Company and Company Entities, as contemplated in subsection (a) above.

1.16 " Notice of Termination " means written notice (i) specifying the effective date of the Participant's termination (which shall not be less than thirty (30) days after the date of such notice in the case of a termination on account of Disability or the Participant's voluntary termination other than for Good Reason); (ii) solely with respect to the Participant terminating for Good Reason, citing the specific provisions of this Plan and the facts and circumstances, in reasonable detail, providing a basis for such termination, provided that if the basis for such Good

Reason is capable of being cured by the Company, the Participant will provide the Company with an opportunity to cure the Good Reason within thirty (30) calendar days after receipt of such notice, and (iii) solely with respect to the Company terminating the Participant's employment on account of Disability, its intent to terminate his employment on account of Disability.

1.17 " Participant " means an Eligible Employee who has satisfied the conditions for participation set forth in Section 2.

1.18 " Plan " means this Ryder System, Inc. Executive Severance Plan.

1.19 " Plan Administrator " shall mean the Company's Chief Human Resources Officer or his designate.

1.20 " Release " means a severance agreement and general release in such form as the Company, in its sole discretion, determines appropriate that is executed by the Participant and the Company in connection with the termination of the Participant's employment with the Company or any of its subsidiaries and affiliates. If the Participant is subject to the Older Workers Benefit Protection Act (" OWBPA "), the Release shall be revocable until the end of the seventh (7 th) calendar day after Participant executes the Release

1.21 " Release Effective Date " means, if the Participant is covered by the OWBPA on his Termination Date, the later of: (i) the eighth (8th) calendar day after the execution of the Release, provided that the Participant has not revoked the Release prior to such date, or (ii) the Termination Date. If the Participant is not covered by the OWBPA on his Termination Date, the Release Effective Date means the later of: (i) the date on which the Release is executed by the Participant, or (ii) the Termination Date.

1.22 " Severance Period " means: (i) one (1) year following the Termination Date if not in connection with a Change of Control Termination, or (ii) eighteen (18) months following the Termination Date if in connection with a Change of Control Termination.

1.23 " Specified Employee " means a Participant who is deemed to be a "specified employee" in accordance with the policies and procedures adopted by the Company and shall generally include any Participant who is an officer of the Company.

1.24 " Target Bonus " means the Participant's stated target annual incentive award opportunity which the Participant is eligible to receive under the Company's annual incentive compensation plan or awards for the year in which the Termination Date occurs.

1.25 " Termination Date " means the effective date of the termination of the Participant's employment with the Company.

1.26 " Trustee " has the meaning set forth in Section 8.

Section 2

Participation

An Eligible Employee shall participate in the Plan after the completion of twelve (12) consecutive months of continuous employment with the Company provided, however, that any:

(a) employee of the Company who is not an Eligible Employee as of the Effective Date of the Plan shall become a Participant only if, upon becoming an Eligible Employee, he executes an acknowledgement form (the " Form ") agreeing to abide by the terms of this Plan within sixty (60) days after being presented with such Form by the Company; and

(b) Eligible Employee who as of the Effective Date of the Plan is subject to an agreement with the Company providing for severance, separation, notice or termination benefits, whether oral or written, (including such benefits payable after a Change of Control) shall become a Participant only if he executes the Form within sixty (60) days after being presented with such Form by the Company.

Section 3

Notice of Termination

Any termination of employment shall be communicated by a Notice of Termination to the other party. No notice period is required other than as required in Section 1.16.

Section 4

Conditions and Eligibility for Severance Benefits

4.1 Conditions for Eligibility . Subject to the conditions and limitations of this Section 4 and elsewhere in the Plan, a Participant shall be entitled to the severance benefits described herein only upon satisfaction of all the following conditions (and all other applicable conditions contained herein):

(a) he suffers an Involuntary Termination, a Change of Control Termination, or a termination pursuant to Section 5.3(c) herein;

(b) he timely executes without modification and in its entirety a Release within fifty (50) days of the Termination Date, and such Release becomes effective so that the Participant no longer has any right to revoke such Release within sixty (60) days of the Termination Date;

(c) if requested by the Company or any subsidiary or affiliate, he delivers a resignation letter, acceptable to the Company, from all offices, directorships and fiduciary positions in which the Participant was serving;

(d) he returns to the Company any property of the Company or its subsidiaries or affiliates which has come into his possession or control; and

(e) he remains actively at work through the date of termination designated in the Notice of Termination, unless the Company agrees in writing to release the Participant from employment earlier than such date of termination, or in the case of a resignation as of a future date, the Company chooses unilaterally to shorten the period before the resignation's effective date.

4.2 Exclusions . Each Participant shall cease to be entitled to severance benefits, upon the earliest to occur of the following:

(a) the end of the Severance Period;

(b) his breach of any provision of the Release, the Plan or any other Company agreement executed by the Participant including, but not limited to, the Form referenced in Section 2 or the refusal to execute the Form;

(c) the revocation, invalidity, unenforceability, or untimely execution of the Release;

(d) his reemployment by the Company, or any of its subsidiaries or affiliates;

(e) solely with respect to the reimbursement for the continuation of benefits described in Section 5.1(d), 5.3(c)(iv) or 6.1(e), the end of the Benefits Continuation Period; and/or

(f) termination pursuant to the last sentence in Sections 5.1(d), 5.3(c)(iv) or 6.1(e).

4.3 Early Termination of Payments .

(a) If a Participant dies prior to payment of all severance benefits to which he is entitled, all Company obligations under the Plan shall cease except that the Accrued Benefits (if unpaid at the time of death) shall be paid to the Participant's surviving spouse or, if no spouse survives, to the Participant's estate.

(b) If the Participant is receiving severance benefits under Sections 5 or 6, and (A) if the Participant is reemployed by the Company (or any subsidiary, affiliate or successor) or breaches the Plan's terms or the Release, or (B) if the Company (or any subsidiary, affiliate or successor) discovers information that would have permitted the Company to terminate the Participant for Cause or if the Company or any subsidiary, affiliate or successor discovers a breach of Section 9, payment of severance benefits shall immediately cease, and the Participant shall no longer be entitled to any severance benefits with respect to such termination. If severance benefits cease because of re-employment and the Company has paid severance in a lump sum, the Company (or any subsidiary or

successor) shall have the right to require that the Participant repay to the applicable entity the value of the severance benefits that would not yet have been paid before re-employment if he had been receiving the severance in semi-monthly installments, and the Participant shall no longer be entitled to any severance benefits with respect to such termination. If the severance ceases because of a Cause determination or a breach of Section 9, the Company (or any subsidiary or successor) shall have the right to require that the Participant repay to the applicable entity the full value of any previously received severance. The remedies described in this paragraph are in addition to any other remedies that may be available to the Company in the event of the occurrence of any of the circumstances described in this paragraph.

Section 5

Severance Benefits Other than as a Result of a Change of Control

5.1 Benefits . If a Participant experiences an Involuntary Termination other than as a result of a Change of Control and complies with all of the other terms and conditions of the Plan, he shall be eligible to receive:

(a) the Accrued Benefits, payable in a lump sum as soon as administratively feasible following the Release Effective Date, or such other date as their terms require;

(b) continuation of the Participant's Base Salary for the Severance Period payable in installments in accordance with the Company's standard payroll practices, but no less frequently than monthly, beginning within sixty (60) days following the Termination Date (with the first payment to include amounts accrued between the Termination Date and the first payment date); provided that, if the sixtieth (60th) day following the Termination Date falls in the calendar year following the calendar year in which the Termination Date occurs, payments will not commence prior to the first day of the calendar year following the calendar year in which the Termination Date occurs; provided further that, in the event the Participant is a Specified Employee on the Termination Date, payment shall be made in accordance with the following provisions:

(i) If the aggregate value of the payments due to the Participant pursuant to this Section 5.1(b) during the six (6) month period following his Termination Date, does not exceed two (2) times the lesser of: (x) the Specified Employee's base salary for the year prior to the year in which the Termination Date occurs; or (y) the maximum amount that may be taken into account under a qualified retirement plan pursuant to Section 401(a)(17) of the Code for the year in which the Termination Date occurs (such amount, the " Separation Pay Limit "), the Participant shall receive continuation of his Base Salary for the Severance Period payable in installments in accordance with the Company's standard payroll practices, but no less frequently than monthly, as set forth above.

(ii) If the aggregate value of the payments due to the Participant pursuant to this Section 5.1(b) during the six (6) month period following his Termination Date exceeds the Separation Pay Limit, the Participant shall not receive any payments of continued Base Salary in excess of the Separation Pay Limit during such six (6) month period. Any amounts in excess of the Separation Pay Limit which would have otherwise been paid during the six (6) month period following the Participant's Termination Date shall be paid in a lump sum on the first day following the six-month anniversary of the Participant's Termination Date. Beginning with the first payroll cycle occurring on or after the first day following the six-month anniversary of the Participant's Termination Date and continuing until the end of the Severance Period, the Participant shall receive continuation payments of the Participant's Base Salary in installments in accordance with the Company's standard payroll practices, but no less frequently than monthly.

(iii) For purposes of Section 409A of the Code, each installment payment of Base Salary made pursuant to this Section 5.1(b) shall be treated as a separate payment of compensation.

(c) a lump sum payment equal to the pro-rata cash bonus for the year in which the Termination Date occurs, which shall be paid (i) when such annual bonuses are paid to non-terminated employees (or, if later, upon the satisfaction of all conditions for the payment of benefits hereunder, but in no event shall such payment occur later than March 15 of the calendar year following the year in which the Termination Date occurs) and (ii) based on the actual attainment of the performance goals under the annual bonus plan for the year in which the Termination Date occurs;

(d) if the Participant continues to receive health benefits (including, medical, prescription, dental, vision and health care reimbursement account benefits) pursuant to the Company's health plans under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, supplemented or substituted from time to time (" COBRA ") and pays the full COBRA premiums, the Company will reimburse the Participant for the COBRA premiums paid for such benefits for the Participant and his family through COBRA (with the exception of any COBRA premiums paid for health care reimbursement account benefits) for the Benefits Continuation Period, in accordance with the applicable plans, programs or policies of the Company, and on such terms applicable to comparably situated active employees during such period (which shall offset the Company's COBRA obligation); provided that the Executive may continue to receive health benefits pursuant to the Company's health plans during a period of time in the Benefits Continuation Period during which the Executive would not otherwise be entitled to COBRA continuation coverage under Section 4980B of the Code if the Executive continues to pay premiums for such health benefits, and the Executive shall receive reimbursement for all premiums paid by the Executive for such continued health benefits on the date no later than December 31 of the calendar year immediately following the calendar year in which the applicable expenses have been incurred. If the Participant fails to accept available coverage from another employer or fails to notify the Company (or, following a Change of Control, the

Company or the Trustee) within thirty (30) days of the Participant's eligibility to receive coverage under another employer's plan, the Participant's reimbursements under this Section 5.1(d) shall immediately terminate and the Participant shall cease to be entitled to any such reimbursements under this Plan and shall be required within three (3) months after such failure to reimburse the Company for the reimbursements paid to the Participant after such failure, and the Participant agrees that the Company may offset against such reimbursement or deduct such reimbursement from any payments due to the Participant by the Company, in full or partial payment of such reimbursement; provided that no such offset shall be made in violation of Section 409A of the Code;

(e) if the Participant is covered by any Company-sponsored supplemental long-term disability insurance program as of the Termination Date, the Company shall continue to pay for the Participant's coverage until the end of the Severance Period. At the end of the Severance Period, the Participant shall be entitled to keep this policy if he continues to pay the annual premiums;

(f) if the Participant is covered by any Company-sponsored executive life insurance program as of the Termination Date, the Company shall continue to pay for the Participant's coverage until the end of the Severance Period. At the end of the Severance Period, the Participant will have thirty-one (31) days from the last day of the Severance Period to convert his life insurance coverage to an individual policy;

(g) professional outplacement services as determined in the Company's sole discretion until the earliest of (i) twenty-four (24) months after the Termination Date, (ii) the date on which the Participant obtains another full-time job, (iii) the date on which the Participant becomes self-employed, and (iv) the date on which the Participant has received all services or benefits due under the applicable Company-sponsored outplacement program. The Company will not pay the Participant cash in lieu of professional outplacement services; and

(h) any benefits or rights to which the Participant is entitled under any of the Company's stock or equity plans in accordance with the terms and conditions of any such plans.

5.2 Payment of Severance Benefits . Notwithstanding anything herein to the contrary, no payments hereunder (other than Accrued Benefits payable pursuant to their terms) shall be made to a Participant prior to the Release Effective Date. In the event that (a) a Participant does not execute a release within fifty (50) days following the Termination Date or (b) the Release Effective Date does not occur within sixty (60) days following the Termination Date, a Participant shall not be entitled to any payments or benefits hereunder (other than the Accrued Benefits payable pursuant to their terms); provided that, if the Participant becomes entitled to payments and benefits pursuant to Section 5.3(c), the Participant shall not be entitled to any payments or benefits hereunder in the event that (a) the Participant does not execute a release within fifty (50) days following the date of the Change of Control or (b) the Release Effective Date does not occur within sixty (60) days following the date of the Change of Control.

5.3 Terminations Prior to a Change of Control .

(a) If a Change of Control occurs and the Participant is then receiving, or is entitled to receive, payments and benefits pursuant Section 5.1 of the Plan on account of his prior termination of employment, the Company shall pay to the Participant, in a lump sum, within seven (7) calendar days after the Change of Control, an amount (in lieu of future payments) equal to the present value of all future cash payments due under Section 5.1(b) of the Plan using the prime commercial lending rate published by the Trustee at the time the Change of Control occurs, but the Company and the Participant shall continue to be liable to each other for all other obligations under this Plan. In the event that the Participant was a Specified Employee on his Termination Date, if the sum of the payments which the Participant previously received in accordance with Section 5.1(b) and the payment set forth in this Section 5.3(a) exceeds the Separation Pay Limit, any amounts in excess of the Separation Pay Limit shall be paid on the later of (i) the first day following the six-month anniversary of the Termination Date and (ii) within seven (7) calendar days after the Change of Control. For the avoidance of doubt, in the event that the provisions of this Section 5.3(a) become effective, they shall supersede the provisions of Section 5.1(b).

(b) If a Change of Control occurs and (i) the Participant experienced an Involuntary Termination within twelve (12) months prior to the date on which the Change of Control occurs and (ii) it is reasonably demonstrated by the Participant that such Involuntary Termination either (A) was at the request of a third party who has taken steps reasonably calculated to effect a Change of Control or (B) otherwise arose in connection with or in anticipation of a Change of Control, then, in addition to the payments and benefits set forth in Section 5.1, the Participant shall be entitled to the following: (x) a lump sum payment equal to 50% of the Participant's Base Salary payable as soon as practicable but no later than sixty (60) days following the Change of Control; provided that if the Participant was a Specified Employee on his Termination Date, such payment shall be paid on the later of (1) as soon as practicable but no later than sixty (60) days following the Change of Control and (2) the first day following the six-month anniversary of the Participant's Termination Date; (y) the Target Bonus, which shall be paid as soon as practicable following the Change of Control but no later than March 15 of the calendar year following the calendar year in which the Change of Control occurs; and (z) for purposes of determining the Severance Period for benefits provided under Sections 5.1(d), (e), and (f), the Participant's Severance Period shall be defined as the eighteen (18) month period following the Participant's Termination Date. Notwithstanding the foregoing, in the event that (i) a Change of Control occurs and payments and benefits become payable to a Participant pursuant to this Section 5.3(b); and (ii) such Change of Control does not constitute a "change in ownership or effective control" or a change in the "ownership of a substantial portion of assets" under Section 409A of the Code and the rules and regulations issued thereunder, the lump sum payment set forth in (x) above shall be paid on the first anniversary of the Participant's Termination Date.

(c) If a Change of Control occurs and (i) the Participant's employment was voluntarily terminated within twelve (12) months prior to the date on which the Change of Control occurs; (ii) such termination would have constituted a termination for Good

Reason if it had occurred within one (1) year following the Change of Control; and (iii) it is reasonably demonstrated by the Participant that the circumstances which would have caused the occurrence of Good Reason either (a) were at the request of a third party who had taken steps reasonably calculated to effect a Change of Control or (b) otherwise arose in connection with or in anticipation of a Change of Control, then the Participant shall be entitled to the following (determined based on a Severance Period of eighteen (18) months from the Termination Date):

(i) A lump sum payment equal to the Participant's Base Salary for the Severance Period payable within sixty (60) days following the Change of Control; provided that, if the sixtieth (60th) day following the Change of Control falls in the calendar year following the calendar year in which the Change of Control occurs, payment will not be made prior to the first day of the calendar year following the calendar year in which the Change of Control occurs; provided further that, if the Participant is a Specified Employee on the Termination Date, any amounts in excess of the Separation Pay Limit shall be paid to the Participant in a lump sum on the later of (x) the first day following the six-month anniversary of the Termination Date and (y) within sixty (60) days following the Change of Control. In the event that (i) a Change of Control occurs and payments and benefits become payable to a Participant pursuant to this Section 5.3(c); and (ii) such Change of Control does not constitute a "change in ownership or effective control" or a change in the "ownership of a substantial portion of assets" under Section 409A of the Code and the rules and regulations issued thereunder, the lump sum payment set forth herein shall be paid on the first anniversary of the Participant's Termination Date.

(ii) a lump sum payment equal to the pro-rata cash bonus for the year in which the Termination Date occurs, which shall be paid (i) when such annual bonuses are paid to non-terminated employees (or, if later, upon the satisfaction of all conditions for the payment of benefits hereunder, but in no event shall such payment occur later than March 15 of the calendar year following the year in which the Change of Control occurs) and (ii) based on the actual attainment of the performance goals under the annual bonus plan for the year in which the Termination Date occurs;

(iii) A lump sum payment equal to the Participant's Target Bonus, payable on the Release Effective Date or as soon thereafter as is practicable, but no later than March 15 of the calendar year following the calendar year in which the Change of Control occurs;

(iv) if the Participant continues to receive health benefits (including, medical, prescription, dental, vision and health care reimbursement account benefits) pursuant to the Company's health plans under COBRA and pays the full COBRA premiums, the Company will reimburse the Participant for the COBRA premiums paid for such benefits for the Participant and his family through COBRA (with the exception of any COBRA premiums paid for health care

reimbursement account benefits) for the remainder of the Benefits Continuation Period, in accordance with the applicable plans, programs or policies, if any, of the Company or its successor, and on such terms applicable to comparably situated active employees during such period (which shall offset the Company's COBRA obligation, if any); provided that the Executive may continue to receive health benefits pursuant to the Company's health plans during a period of time in the Benefits Continuation Period during which the Executive would not otherwise be entitled to COBRA continuation coverage under Section 4980B of the Code if the Executive continues to pay premiums for such health benefits, and the Executive shall receive reimbursement for all premiums paid by the Executive for such continued health benefits on the date no later than December 31 of the calendar year immediately following the calendar year in which the applicable expenses have been incurred.. If the Participant fails to accept available coverage from another employer or fails to notify the Company (or the Trustee) within thirty (30) days of the Participant's eligibility to receive coverage under another employer's plan, the Participant's reimbursements under this Section 5.3(c)(iv) shall immediately terminate and the Participant shall cease to be entitled to any such reimbursements under this Plan and shall be required within three (3) months after such failure to reimburse the Company for the reimbursements paid to the Participant after such failure, and the Participant agrees that the Company may offset against such reimbursement or deduct such reimbursement from any payments due to the Participant by the Company, in full or partial payment of such reimbursement; provided that, no such offset shall be made in violation of Section 409A of the Code; and

(v) A lump sum payment equal to the value of the Company-sponsored outplacement program maintained by the Company immediately prior to the Change of Control, based on the Participant's management level as of the Termination Date, which shall be paid within sixty (60) days following the Change of Control; provided that, if the sixtieth (60th) day following the Change of Control falls in the calendar year following the calendar year in which the Change of Control occurs, payment will not be made prior to the first day of the calendar year following the calendar year in which the Change of Control occurs; provided further that, if the Participant is a Specified Employee on the Termination Date, such amount shall be paid on the later of (x) within sixty (60) days following the Change of Control and (y) the first day following the six-month anniversary of the Termination Date. In the event that (i) a Change of Control occurs and payments and benefits become payable to a Participant pursuant to this Section 5.3(c); and (ii) such Change of Control does not constitute a "change in ownership or effective control" or a change in the "ownership of a substantial portion of assets" under Section 409A of the Code and the rules and regulations issued thereunder, the lump sum payment set forth herein shall be paid on the first anniversary of the Participant's Termination Date; and

(vi) If the Participant is covered by any Company-sponsored executive life insurance program as of the Termination Date, the Company (or the

Trustee) shall continue to pay for the Participant's coverage until the end of the Severance Period. At the end of the Severance Period, the Participant will have thirty-one days (31) from the last day of the Severance Period to convert his life insurance coverage to an individual policy; and

(vii) If the Participant is covered by any Company-sponsored supplemental long term disability insurance program as of the Termination Date, the Company (or the Trustee) shall continue to pay for the Participant's coverage until the end of the Severance Period. At the end of the Severance Period, the Participant shall be entitled to keep this policy if he continues to pay the annual premiums; and

(viii) Any benefits or rights to which the Participant is entitled under any of the Company's stock or equity plans in accordance with the terms and conditions of any such plans.

For the avoidance of doubt, no payments or benefits payable to the Participant pursuant to this Section 5.3(c) shall continue beyond the end of the second calendar year following the calendar year in which the Termination Date occurs. The Participant shall not be entitled to any payments or benefits pursuant to this Section 5.3(c), unless prior to the Participant's Termination Date, the Participant had given the Company notice of the circumstances forming the basis of termination for Good Reason and an opportunity to cure such circumstances in accordance with Sections 1.14 and 1.16.

Section 6

Severance Benefits As a Result of a Change of Control

6.1 Benefits . If a Participant experiences a Change of Control Termination, and complies with all of the other terms and conditions of the Plan, he shall be eligible to receive:

(a) the Accrued Benefits, payable in a lump sum as soon as administratively feasible following the Release Effective Date, or such other date as their terms require;

(b) a lump sum payment equal to the Participant's Base Salary for the Severance Period payable within sixty (60) days following the Termination Date; provided that, if the sixtieth (60th) day following the Termination Date falls in the calendar year following the calendar year in which the Termination Date occurs, payment will not be made prior to the first day of the calendar year following the calendar year in which the Termination Date occurs; provided further that, if a Participant is Specified Employee on the Termination Date, any amounts payable under this Section 6.1(b) in excess of the Separation Pay Limit shall be paid to the Participant in a lump sum on the first day following the six-month anniversary of the Termination Date;

(c) a lump sum payment equal to the pro-rata cash bonus for the year in which the Termination Date occurs which shall be paid (i) when such annual bonuses are

paid to non-terminated employees (or, if later, upon the satisfaction of all conditions for the payment of benefits hereunder, but in no event shall such payment occur later than March 15 of the calendar year following the year in which the Termination Date occurs) and (ii) based on the actual attainment of the performance goals under the annual bonus plan for the year in which the Termination Date occurs;

(d) an amount equal to the Participant's Target Bonus payable on the Release Effective Date or as soon thereafter as is practicable but no later than March 15 of the calendar year following the calendar year in which the Termination Date occurs;

(e) if the Participant continues to receive health benefits (including, medical, prescription, dental, vision and health care reimbursement account benefits) pursuant to the Company's health plans under COBRA and pays the full COBRA premiums, the Company will reimburse the Participant for the COBRA premiums paid for such benefits for the Participant and his family through COBRA (with the exception of any COBRA premiums paid for health care reimbursement account benefits) for the Benefits Continuation Period, in accordance with the applicable plans, programs or policies of the Company, and on such terms applicable to comparably situated active employees during such period (which shall offset the Company's COBRA obligation, if any); provided that the Executive may continue to receive health benefits pursuant to the Company's health plans during a period of time in the Benefits Continuation Period during which the Executive would not otherwise be entitled to COBRA continuation coverage under Section 4980B of the Code if the Executive continues to pay premiums for such health benefits, and the Executive shall receive reimbursement for all premiums paid by the Executive for such continued health benefits on the date no later than December 31 of the calendar year immediately following the calendar year in which the applicable expenses have been incurred. If the Participant fails to accept available coverage from another employer or fails to notify the Company or the Trustee within thirty (30) days of the Participant's eligibility to receive coverage under another employer's plan, the Participant's reimbursements under this Section 6.1(e) shall immediately terminate and the Participant shall cease to be entitled to any such reimbursements under this Plan and shall be required within three (3) months after such failure to reimburse the Company or the Trustee for the reimbursements paid to the Participant after such failure, and the Participant agrees that the Company may offset against such reimbursement or deduct such reimbursement from any payments due to the Participant by the Company, in full or partial payment of such reimbursement; provided that no such offset shall be made in violation of Section 409A of the Code;

(f) if the Participant is covered by any Company-sponsored supplemental long-term disability insurance program as of the Termination Date, the Company (or the Trustee) shall continue to pay for the Participant's coverage until the end of the Severance Period. At the end of the Severance Period, the Participant shall be entitled to keep this policy if he continues to pay the annual premiums;

(g) if the Participant is covered by any Company-sponsored executive life insurance program as of the Termination Date, the Company (or the Trustee) shall

continue to pay for the Participant's coverage until the end of the Severance Period. At the end of the Severance Period, the Participant will have thirty-one (31) days from the last day of the Severance Period to convert his life insurance coverage to an individual policy;

(h) a lump sum payment equal to the value of the Company-sponsored outplacement program maintained by the Company immediately prior to the Change of Control, based on the Participant's management level as of the Termination Date, payable within sixty (60) days following the Termination Date; provided that, if the sixtieth (60th) day following the Termination Date falls in the calendar year following the calendar year in which the Termination Date occurs, payment will not be made prior to the first day of the calendar year following the calendar year in which the Termination Date occurs; provided further that, if the Participant is a Specified Employee on the Termination Date, such amount shall be paid on the first day following the six-month anniversary of the Termination Date; and

(i) any benefits or rights to which the Participant is entitled under any of the Company's stock or equity plans in accordance with the terms and conditions of any such plans.

6.2 In the event that a Participant becomes entitled to payments and benefits pursuant to Section 6.1 in connection with a Change of Control that does not constitute a "change in ownership or effective control" or a change in the "ownership of a substantial portion of the assets" under Section 409A of the Code, and the rulings and regulations issued thereunder, the payments and benefits set forth in Sections 6.1 (a), (b), (c), (d), (e), (f) and (g) herein (in each case, based on a Severance Period of eighteen (18) months from the Termination Date), shall be provided in accordance with the schedule set forth in Section 5.1, except as otherwise provided in this Section 6.2. In addition, the services set forth in Section 5.1(g) (based on a Severance Period of twelve (12) months) shall be provided in lieu of the payment set forth in Section 6.1(h). Notwithstanding the foregoing, with respect to the payment set forth in Section 6.1 (b), an amount equal to the lesser of (i) the Separation Pay Limit or (ii) the amount set forth in Section 6.1(b) shall be paid to the Participant on the Release Effective Date or as soon thereafter as is practicable, but no later than sixty (60) days following the Termination Date. In the event that the amount set forth in Section 6.1(b) exceeds the Separation Pay Limit, any excess amounts shall be paid at the time they would have otherwise been paid pursuant to Section 5.1 (b).

6.3 Notwithstanding anything herein to the contrary, no payments hereunder (other than Accrued Benefits payable pursuant to their terms) shall be made to a Participant prior to the Release Effective Date. In the event that (a) a Participant does not execute a release within fifty (50) days following the Termination Date or (b) the Release Effective Date does not occur within sixty (60) days following the Termination Date, a Participant shall not be entitled to any payments or benefits hereunder (other than the Accrued Benefits payable pursuant to their terms).

Section 7

Effect of 280G on Payments

7.1 Reduction in Payments . In the event any Payment (as defined below) would constitute an "excess parachute payment" within the meaning of Section 280G of the Code, the Company shall reduce (but not below zero) the aggregate present value of the Payments payable to the Participant pursuant to the terms of this Plan to the Reduced Amount (as defined below), if reducing the Payments payable to the Participant pursuant to the terms of this Plan will provide the Participant with a greater net after-tax amount than would be the case if no reduction was made.

7.2 Determining Net After-Tax Amounts . In determining whether a reduction in Payments payable to the Participant pursuant to the terms of this Plan will provide the Participant with a greater net after-tax amount, the following computations shall be made:

(a) The net after-tax benefit to the Participant without any reduction in Payments shall be determined by reducing the Payments by the amount of federal, state, local and other applicable taxes (including the Excise Tax (as defined below)) applicable to the Payments. For these purposes, the tax rates shall be determined using the maximum marginal rate applicable to such Participant for each year in which the Payments shall be paid.

(b) The net after-tax benefit to the Participant with a reduction in the Payments to the Reduced Amount shall be determined by applying the tax rates under Section 7.2(a), with the exception of the Excise Tax.

7.3 Reduction Methodology . In the event a reduction in the Payments to the Reduced Amount will provide the Participant with a greater net after-tax amount, the following shall apply:

(a) Reduction of payments. The reduction of the amounts payable hereunder, if applicable, shall be made by first reducing, but not below zero, the cash payments under Sections 5.1(b), 5.3(c)(i), or 6.1 (b), as applicable (and in the event that such payments are installment payments, each such installment payment shall be reduced pro-rata, but not below zero), and by next reducing, but not below zero, the cash payments under Sections 5.1(c), 5.3(c)(ii), 5.3(c)(iii), 6.1(c) or 6.1(d), as applicable. In the event that following the reduction of the amounts set forth in the preceding sentence, additional amounts payable to the Participant must be reduced, any payments due to the Participant pursuant to the Company's equity plans shall be reduced on a pro-rata basis, but not below zero.

(b) Restrictions. Only amounts payable under this Plan shall be reduced pursuant to this Section 7.3. Any reduction shall be made in a manner consistent with the requirements of Section 409A of the Code.

7.4 Definitions . For purposes of this Section 7, the following definitions shall apply.

(a) " Payment " shall mean an amount that is received by the Participant or paid by the Company on his behalf, or represents any property, or any other benefit

provided to the Participant under this Plan or under any other plan, arrangement or agreement with the Company or any other person, and such amount is treated as contingent on a change in control, as provided under Section 280G of the Code.

(b) " Reduced Amount " shall mean an amount, as determined under Section 280G of the Code, which does not cause any Payment to be subject to the Excise Tax.

(c) " Excise Tax " shall mean the excise tax imposed under Section 4999 of the Code.

7.5 Determination of Reduction . All determinations required to be made under this Section 7 shall be made by a nationally recognized accounting (or compensation and benefits consulting) firm selected by the Company (the " Accounting Firm ") which shall provide detailed supporting calculations both to the Company and the Participant within ten (10) business days of the Change of Control. Any such determination by the Accounting Firm shall be binding upon the Company and the Participant. All fees and expenses of the Accounting Firm shall be borne solely by the Company.

Section 8

Trusts

In order to ensure in the event of a Change of Control that timely payment will be made of certain obligations of the Company to the Participant provided for under this Plan, the Company shall, immediately prior to or in connection with the consummation of a Change of Control, irrespective of whether the Change of Control constitutes a "change in ownership or effective control" or a change in the "ownership of a substantial portion of the assets" under Section 409A of the Code, and the rulings and regulations issued thereunder, pay into one or more trust(s) (the " Trust (s) ") established between the Company and any financial institution with assets in excess of $100 million selected by the Company prior to the Change of Control, as trustee (the " Trustee "), such amounts and at such time or times as are required in order to fully pay all cash amounts due the Participant hereunder that are payable or as are otherwise required pursuant to the terms of the Trust(s), with payment to be made in cash or cash equivalents. Thereafter, all such payments required to be paid hereunder shall be made out of the Trust(s); provided, however, that the Company shall retain liability for and pay the Participant any amounts or provide for such other benefits due the Participant under this Plan for which there are insufficient funds in the Trust(s), for which no funding of the Trust(s) is required or in the event that the Trustee fails to make such payment to the Participant within the time frames set forth in this Plan. Prior to the Change of Control, and to the extent necessary because of a change in the Trustee, after the Change of Control, the Company shall provide the Participant with the name and address of the Trustee. Nothing in this Plan shall require the Company to maintain the funding required in this section beyond the first anniversary of a Change of Control unless, before such first anniversary, the Participant's employment has terminated in a manner qualifying him for benefits hereunder. The Participant expressly waives any requirement under this Section 8 or otherwise for the Company to fund the Trust(s) if funding would cause him to be taxed under Section 409A(b) of the Code or any successor law.

For purposes of this Plan, the term " the Company and/or the Trustee " means the Trustee to the extent the Company has put funds in the Trust(s) and the Company to the extent the Company has not funded or fully funded the Trust(s); provided, however, that in accordance with the paragraph above, the Company shall retain liability for and pay the Participant any amounts or provide for such other benefits due the Participant under this Plan for which the Trustee fails to make adequate payment to the Participant within the time frames set forth in this Plan **.**

Section 9

Restrictive Covenants

As consideration for the Company's offer of coverage under this Plan to the Participant and for other good and valuable consideration, during his employment and upon termination of employment for any reason, the Participant agrees to comply with the restrictive covenants contained in Section 9 of this Plan. In addition, receipt of the severance payments and benefits set forth in Sections 5 and 6 is expressly conditioned upon the Participant's continued compliance with Section 9.

9.1 Confidentiality . All documents, records, techniques, business secrets and other information of the Company, its subsidiaries and affiliates which have or will come into the Participant's possession from time to time during the Participant's affiliation with the Company and/or any of its subsidiaries or affiliates and which the Company treats as confidential and proprietary to the Company and/or any of its subsidiaries or affiliates shall be deemed as such by the Participant and shall be the sole and exclusive property of the Company, its subsidiaries and affiliates. The Participant agrees that the Participant will keep confidential and not use or divulge to any other individual or entity any of the Company's or its subsidiaries' or affiliates' confidential information and business secrets, including, but not limited to, such matters as costs, profits, markets, sales, products, product lines, key personnel, pricing policies, operational methods, customers, customer requirements, suppliers, plans for future developments, and other business affairs and methods and other information not readily available to the public. Additionally, the Participant agrees that upon his termination of employment, irrespective of the reason for such termination, the Participant shall promptly return to the Company any and all confidential and proprietary information of the Company and/or its subsidiaries or affiliates that is in his possession or control.

The Participant agrees that the terms and provisions of this Plan, as well as any and all incidents leading to or resulting from this Plan, are confidential and may not be discussed with anyone other than his spouse, domestic partner, attorney or tax advisor without the prior written consent of the Company's Chief Human Resources Officer, except as required by law. In the event that the Participant is subpoenaed, or asked to provide confidential information or to testify as a witness or to produce documents in any existing or potential legal or administrative or other proceeding or investigation formal or informal related to the Company, to the extent permitted by applicable law, the Participant will promptly notify the Company of such subpoena or request and will, if requested, meet with the Company for a reasonable period of time prior to any such appearance or production.

9.2 Non-Competition . During the Participant's employment with the Company, and thereafter during the Participant's Severance Period, if any, the Participant shall not, without the prior written consent of the Board, directly or indirectly engage or become a partner, director, officer, principal, employee in the same or similar capacity as the Participant worked for the Company, consultant, investor, creditor or stockholder in/for any business, proprietorship, association, firm or corporation not owned or controlled by the Company or its subsidiaries or affiliates which is engaged or proposes to engage or hereafter engages in a business competitive directly or indirectly with the business conducted by the Company or any of its subsidiaries or affiliates in any geographic area the Participant worked in or had responsibility over the previous twelve (12) month period; provided, however, that the Participant is not prohibited from owning one percent (1%) or less of the outstanding capital stock of any corporation whose stock is listed on a national securities exchange.

The Participant and the Company have attempted to limit the Participant's right to compete only to the extent necessary to protect the Company's legitimate business interests. The Participant and the Company recognize however, that reasonable people may differ in making such a determination. Consequently, the Participant and the Company agree that if the scope or enforceability of this Plan is in any way disputed at any time, a court may modify and enforce this Plan to the extent it believes to be reasonable under the circumstances.

9.3 Non-Solicitation . During the Participant's employment with the Company or any subsidiary or affiliate, and thereafter during the longer of (i) the Severance Period, if any, or (ii) twelve (12) months following the Participant's Termination Date (irrespective of the reason for the Participant's termination and without any reduction or modification), the Participant shall not, directly or indirectly, in any manner or capacity whatsoever, either on the Participant's own account or for any person, firm or company:

(a) take away, interfere with relations with, divert or attempt to divert from the Company any business with any customer or account: (x) which was a customer on the last day of the Participant's employment and/or has been solicited or serviced by the Company within one (1) year prior to the last day of the Participant's employment; and (y) with which the Participant had any contact or association, or which was under the supervision of the Participant, or the identity of which was learned by the Participant, as a result of the Participant's employment with the Company, or

(b) solicit, interfere with or induce, or attempt to induce, any employee or independent contractor of the Company or any of its subsidiaries or affiliates to leave his employment or service with the Company or to breach his employment agreement or other agreement, if any.

9.4 Inventions and Discoveries . The Participant acknowledges that all ideas, discoveries, inventions and improvements which are made, conceived or reduced to practice by the Participant and every item of knowledge relating to the Company's business interests (including potential business interests) gained by the Participant during the Participant's employment are the

sole and absolute property of the Company, and the Participant shall promptly disclose and hereby irrevocably assigns all his right, title and interest in and to all such ideas, discoveries, inventions, improvements and knowledge to the Company for its sole use and benefit, without additional compensation, and shall communicate to the Company, without cost or delay, and without publishing the same, all available information relating thereto. The Participant also hereby waives all claims to moral rights in any such ideas, discoveries, inventions, improvements and knowledge. The provisions of this Section 9 shall apply whether such ideas, discoveries, inventions or knowledge are conceived, made, gained or reduced to practice by the Participant alone or with others, whether during or after usual working hours, whether on or off the job, whether applicable to matters directly or indirectly related to the Company's business interests (including potential business interests), and whether or not within the specific realm of the Participant's duties. Any of the Participant's ideas, discoveries, inventions and improvements relating to the Company's business interests or potential business interests and conceived, made or reduced to practice during the Severance Period shall for the purpose of this Plan, be deemed to have been conceived, made or reduced to practice before the end of the Participant's employment. The Participant shall, upon request of the Company, and without further compensation by the Company but at the expense of the Company, at any time during or after his employment with the Company, sign all instruments and documents requested by the Company and otherwise cooperate with the Company and take any actions which are or may be necessary to protect the Company's right to such ideas, discoveries, inventions, improvements and knowledge, including applying for, obtaining and enforcing patents, copyrights and trademark registrations thereon in any and all countries. To the extent this Section shall be construed in accordance with the laws of any state which precludes a requirement to assign certain classes of inventions made by an employee, this Section shall be interpreted not to apply to any invention which a court rules and/or the Company agrees falls within such classes.

9.5 Non-Disparagement and Cooperation . The Participant agrees not to make any remarks disparaging the conduct or character of the Company or any of its subsidiaries or affiliates, their current or former agents, employees, officers, directors, successors or assigns (" Ryder Parties "), except as may be necessary in the performance of his duties or as is otherwise required by law. The Participant agrees to cooperate with the Company in the investigation, defense or prosecution of any claims or actions now in existence or that may be brought in the future against or on behalf of the Company. Such cooperation shall include meeting with representatives of the Company upon reasonable notice at reasonable times and locations to prepare for discovery or any mediation, arbitration, trial, administrative hearing or other proceeding or to act as a witness. The Company shall reimburse the Participant for travel expenses approved by the Company or its subsidiaries or affiliates incurred in providing such assistance. The Participant shall notify the Company if the Participant is asked to assist, testify or provide information by or to any person, entity or agency in any such proceeding or investigation. Nothing in this provision is intended to or should be construed to prevent the Participant from providing truthful information to any person or entity as required by law or his fiduciary obligations.

9.6 Specific Remedy . The Participant acknowledges and agrees that if he commits a material breach of the Covenant of Confidentiality or, if applicable, the Covenant Against Competition, the Covenant of Non-Solicitation, or the Covenant of Non-Disparagement and Cooperation, the Company shall have the right to have the covenant specifically enforced through

an injunction or otherwise, without any obligation that the Company post a bond or prove actual damages, by any court having appropriate jurisdiction on the grounds that any such breach will cause irreparable injury to the Company, without prejudice to any other rights and remedies that Company may have for a breach of this Plan, and that money damages will not provide an adequate remedy to the Company. The Participant further acknowledges and agrees that the Covenant of Confidentiality, the Covenant Against Competition, the Covenant of Non-Solicitation, and the Covenant of Non-Disparagement and Cooperation contained in this Plan are intended to protect the Company's business interests and goodwill, are fair, do not unreasonably restrict his future employment and business opportunities, and are commensurate with the arrangements set out in this Plan and with the other terms and conditions of the Participant's employment. In addition, in executing this Plan, the Participant makes an election to receive severance pay and benefits pursuant to Sections 5 and 6 and is subject to the covenants above, therefore, the Participant shall have no right to return any amounts or benefits that are already paid or to refuse to accept any amounts or benefits that are payable in the future in lieu of his specific performance of his obligations under the covenants above.

Section 10

Offset

Participants in the Plan shall not be entitled to receive any other severance, notice, change of control or termination payments or benefits (or notice in lieu of severance) from the Company. In addition, to the extent permitted by Section 409A of the Code, the Participant's benefits under the Plan will be reduced by the amount of any other severance or termination payments, or pay in lieu of notice, payable by the Company to the Participant on account of his employment, or termination of employment, with the Company, including, but not limited to, (i) any payments required to be paid by the Company to the Participant under any other program, policy, practice, or plan, or (ii) any federal, state, national, municipal, provincial, commonwealth or local law (including any payment pursuant to the Worker Adjustment Retraining and Notification Act or any national, State, local, provincial, municipal, or commonwealth equivalent). A Participant must notify the Plan Administrator if he receives any such payments. Notwithstanding anything to the contrary in this Section 10, no severance payment paid or payable to a Participant, after giving effect to the provisions of this Section 10, shall be less than one week of Participant's Base Salary.

Section 11

Cessation of Participation in Employer Plans

Except as otherwise provided herein, a Participant, as of his Termination Date, shall cease to participate in and shall cease to be treated as an employee of the Company for all purposes under the employee benefit plans of the Company, including, without limitation, all retirement, welfare, incentive, bonus and other similar plans, policies, programs and arrangements maintained for employees of the Company. Each such Participant's rights under any such plan, policy, program or arrangement shall be governed by the terms and conditions of each thereof, as in effect on such Termination Date.

Section 12

Administration

12.1 Plan Interpretation and Benefit Determinations . The Plan is administered and operated by the Plan Administrator who has complete authority, with respect to matters within its jurisdiction, in its sole and absolute discretion, to construe the terms of the Plan (and any related or underlying documents or policies), and to determine the eligibility for, and amount of, severance benefits due under this Plan to Participants and their beneficiaries. All such interpretations and determinations (including factual determinations) of the Plan Administrator shall be final and binding upon all parties and persons affected thereby. The Plan Administrator may appoint one or more individuals and delegate such of its powers and duties as it deems desirable to any such individual(s), in which case every reference herein made to the Plan Administrator shall be deemed to mean or include the appointed individual(s) as to matters within their jurisdiction.

12.2 Benefit Claims . A Participant or his beneficiary (if applicable) may file a written claim with the Plan Administrator with respect to his rights to receive a benefit from the Plan. The Participant will be informed of the decision of the Plan Administrator with respect to the claim within ninety (90) days after it is filed. Under special circumstances, the Plan Administrator may require an additional period of not more than ninety (90) days to review a claim. If this occurs, the Participant will be notified in writing as to the length of the extension, the reason for the extension, and any other information needed in order to process the claim. If the Participant is not notified within the ninety-day (or one hundred and eighty-day, if so extended) period, he may consider the claim to be denied.

If a claim is denied, in whole or in part, the Participant will be notified in writing of the specific reason (s) for the denial, the exact plan provision(s) on which the decision was based, what additional material or information is relevant to his case, and what procedure the Participant should follow to get the claim reviewed again. The Participant then has sixty (60) days to appeal the decision to the Plan Administrator.

The appeal must be submitted in writing to the Plan Administrator. A Participant may request to review pertinent documents, and may submit a written statement of issues and comments. A decision as to a Participant's appeal will be made within sixty (60) days after the appeal is received. Under special circumstances, the Plan Administrator may require an additional period of not more than sixty (60) days to review an appeal. If this occurs, the Participant will be notified in writing as to the length of the extension, not to exceed one hundred and twenty (120) days from the day on which the appeal was received.

If a Participant's appeal is denied, in whole or in part, he will be notified in writing of the specific reason(s) for the denial and the exact plan provision(s) on which the decision was based. The decision on an appeal of the Plan Administrator will be final and binding on all parties and persons affected thereby. If a Participant is not notified within the sixty-day (or one hundred and twenty-day, if so extended) period, he may consider the appeal as denied.

Section 13

Miscellaneous

13.1 Tax Withholding . The Company may withhold from any and all amounts payable under this Plan such federal, state and local taxes as may be required to be withheld pursuant to any applicable law or regulation.

13.2 Unfunded Plan . The Plan is unfunded. The Company shall pay the full cost of the Plan out of its general assets, to the extent not satisfied by the Trust.

13.3 Not a Contract of Employment . The Plan shall not be deemed to constitute a contract of employment, or to impose on the Company any obligation to retain any Participant as an employee, to continue any Participant's current employment status or to change any employment policies of the Company; nor shall any provision hereof restrict the right of the Company to discharge any of its employees or restrict the right of any such employee to terminate his employment with the Company.

13.4 Successors .

(a) This Plan is personal to the Participant and the Participant does not have the right to assign this Plan or any interest herein.

(b) This Plan shall inure to the benefit of and be binding upon the Company and its successors. As used in this Plan, " the Company " shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Plan by operation of law, or otherwise.

13.5 Full Settlement . Except as specifically provided otherwise in this Plan, the Company's obligation to make the payments provided for herein and otherwise to perform its obligations hereunder shall not be affected by any circumstances, including, without limitation, any setoff, counterclaim, recoupment, defense or other right which the Company may have against the Participant or others. The Participant shall not be obligated to seek other employment by way of mitigation of the amounts payable to the Participant under any of the provisions of this Plan nor, except as specifically provided otherwise in this Plan, shall the amount of any payment provided for under this Plan be reduced by any compensation or benefits earned by the Participant as the result of employment by another employer after the Termination Date.

13.6 Attorney's Fees . To the fullest extent permitted by law, the Company shall promptly pay upon submission of statements all legal and other professional fees, costs of litigation, prejudgment interest, and other expenses incurred in connection with any dispute concerning payments, benefits and other entitlements which the Participant may have under Sections 5.1, 5.3(b), 5.3(c), 6.1, or 6.2 subject to a cap of $15,000; provided, however, the Company shall be reimbursed by the Participant (i) for the fees and expenses advanced in the event the Participant's claim is, in a material manner, in bad faith or frivolous and the arbitrator or court, as applicable, determines that the reimbursement of such fees and expenses is appropriate, or (ii) to the extent

that the arbitrator or court, as appropriate, determines that such legal and other professional fees are clearly and demonstrably unreasonable. Any payments made pursuant to this Section 13.6 shall be limited to expenses incurred on or prior to December 31 of the second calendar year following the calendar year in which the Termination Date occurs, and any payments made pursuant to this Section 13.6 shall be made on or prior to December 31 of the third calendar year following the calendar year in which the Termination Date occurs.

13.7 Section 409A of the Code .

(a) Notwithstanding anything herein to the contrary, this Plan shall be construed and interpreted in a manner so as not to trigger adverse tax consequences under Section 409A of the Code and the rulings and regulations issued thereunder. The Company may amend this Plan in any manner necessary to comply with Section 409A of the Code or any other applicable laws, with or without the consent of the Participant. Furthermore, to the extent necessary to comply with Section 409A of the Code, the payment terms for any of the payments or benefits payable hereunder shall be amended without the Participant's consent to comply with Section 409A of the Code.

(b) Notwithstanding anything herein to the contrary, A Participant shall not be entitled to any payments or benefits pursuant to the Plan in the event that the occurrence of his termination of employment does not constitute a "separation from service" as defined by Section 409A of the Code and the regulations issued thereunder. For purposes of determining whether a "separation from service", as defined by Section 409A of the Code, has occurred, pursuant to Treas. Reg. §1.409A-1(h)(3), the Company has elected to use "at least 80 percent" each place it appears in Sections 1563(a)(1), (2), and (3) of the Code and in Treas. Reg. §1.414(c)-2.

(c) Notwithstanding anything herein to the contrary, if a Participant is a Specified Employee at the time of his Termination Date, and the deferral of the commencement of any payments or benefits otherwise payable hereunder is necessary in order to prevent any accelerated or additional tax under Section 409A of the Code, then, to the extent permitted by Section 409A of the Code, the Company will defer the commencement of the payment of any such payments or benefits hereunder until the first day following the six-month anniversary of the Termination Date (or the earliest date as is permitted under Section 409A of the Code). If any payments or benefits are deferred due to such requirements, (whether they would have otherwise been payable in a single sum or in installments in the absence of such deferral) they shall be paid or reimbursed to the Participant in a lump sum on the first day following the six-month anniversary of the Termination Date, and any remaining payments and benefits due under this Plan shall be paid or provided in accordance with the normal payment dates specified for them herein.

(d) Except as otherwise provided herein, any reimbursements or in-kind benefits provided under the Plan shall be made or provided in accordance with the requirements of Section 409A of the Code, including, where applicable, the requirement that (i) any reimbursement is for expenses incurred during the period of time specified in the Plan (or, if no such period is specified, the Participant's lifetime), (ii) the amount of expenses eligible for reimbursement, or in kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in kind benefits to be provided, in any other calendar year, (iii) the reimbursement of an eligible expense will be made no later than the last day of the calendar year following the year in which the expense

is incurred, and (iv) the right to reimbursement or in kind benefits is not subject to liquidation or exchange for another benefit. In addition, for purposes of the limitations on nonqualified deferred compensation under Section 409A, each payment of compensation under the Plan shall be treated as a separate payment of compensation for purposes of applying the Section 409A deferral election rules and the exclusion from Section 409A for certain short-term deferral amounts and separation pay. Notwithstanding any other provision set forth herein, any payments which are intended to constitute separation pay due to an involuntary separation from service in accordance with Treas. Reg. §1.409A-1(b)(9)(iii) shall be paid no later than the last day of the second calendar year following the calendar year in which the Termination Date occurs.

(e) For purposes of this Plan, a Company Entity means any member of a controlled group of corporations or a group of trades or businesses under common control of which the Company is a member. A "controlled group of corporations" means a controlled group of corporations as defined in Section 414(b) of the Code and a "group of trades or businesses under common control" means a group of trades or businesses under common control as defined in Section 414(c) of the Code, without any modifications.

13.8 Choice of Law and Jury Trial Waiver . The validity, interpretation, construction, and performance of this Plan shall be governed by the laws of the State of Florida without regard to its conflicts of law principles. The Parties agree that any suit, action or other legal proceeding that is commenced to resolve any matter arising under or relating to any provision of this Plan shall be commenced only in a court of the State of Florida (or, if appropriate, a federal court located within the State of Florida), in either case located in Miami, Florida, and the parties consent to the jurisdiction of such court. The parties hereto accept the exclusive jurisdiction and venue of those courts for the purpose of any such suit, action or proceeding. **The Company and the Participant each irrevocably waive any right to a trial by jury in any action, suit or other legal proceeding arising under or relating to any provision of this Plan.**

13.9 Effect of Invalidity of Provision . If any provision of the Plan is held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereof, and such provision shall, to the extent possible, be modified in such manner as to be valid and enforceable but so as to most nearly retain the intent of the Company. If such modification is not possible, the Plan shall be construed and enforced as if such provision had not been included in the Plan.

13.10 Effect of Plan . The Plan supersedes any and all prior severance arrangements, policies, plans or practices of the Company and its predecessors (whether written or unwritten) and further supersedes any nondisclosure, nonsolicitation, inventions and/or noncompetition agreements covering the Participants; provided, however, that any rights to indemnification, all stock options or other equity granted to the Participant prior to the Effective Date, and all agreements relating thereto shall remain in full force and effect in accordance with their terms except as otherwise modified herein.

13.11 Records . The records of the Company with respect to employment history, Base Salary, absences, and all other relevant matters shall be conclusive for all purposes of this Plan.

13.12 Non-transferability . In no event shall the Company make any payment under this Plan to any assignee or creditor of a Participant, except as otherwise required by law. Prior to the time of a payment hereunder, a Participant shall have no rights by way of anticipation or otherwise to assign or otherwise dispose of any interest under this Plan, nor shall rights be assigned or transferred by operation of law.

13.13 Other Benefits . No amount accrued or paid under this Plan shall be deemed compensation for purposes of computing a Participant's benefits under any retirement plan of the Company or its subsidiaries, nor affect any benefits under any other benefit plan now or subsequently in effect under which the availability or amount of benefits is related to the Participant's level of compensation.

Section 14

Amendment or Termination of the Plan

The Plan may be amended or terminated, in whole or in part, (i) at any time, with or without prior notice to Participants, by action of the Committee or its designees in order to comply with applicable laws, rules and regulations and (ii) at any time with notice to Participants by action of the Committee.

Section 15

Required Information

15.1 Participants' Rights Under ERISA . A Participant in the Plan is entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan participants shall be entitled to:

- Examine, without charge, at the Plan Administrator's office, all Plan documents, and copies of all documents filed by the Plan with the U.S. Department of Labor, such as detailed annual reports and Plan descriptions.

- Obtain copies of Plan documents and other Plan information upon written request to the Plan Administrator. The Plan Administrator may make a reasonable charge for the copies.

- Receive a summary of the Plan's annual financial report if the Plan covers 100 or more people. The Plan Administrator is required by law to furnish each Participant with a copy of this summary annual report.

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate the Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of Plan participants and beneficiaries. No one, including the Company or any other person, may fire a Participant or otherwise discriminate against him in any way to prevent him from obtaining a welfare benefit or

exercising his rights under ERISA. If a Participant's claim for a benefit is denied in whole or in part, he must receive a written explanation of the reason for the denial. The Participant has the right to have the Plan review and reconsider his claim. Under ERISA, there are steps a Participant can take to enforce the above rights.

For instance, if a Participant requests materials from the Plan and does not receive them within 30 days, he may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay the Participant up to $110 a day until the he receives the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.

If the Participant's claim for benefits is denied or ignored, in whole or in part, he may file suit in a state or federal court. If a Participant is discriminated against for asserting his rights, he may seek assistance from the U.S. Department of Labor, or may file suit in a federal court. The court will decide who should pay court costs and legal fees. If the Participant is successful, the court may order the person the Participant sued to pay these costs and fees. If the Participant loses, the court may order him to pay these costs and fees, for example, if it finds the Participant's claim is frivolous. If a Participant has any questions about the Plan, he should contact the Plan Administrator. If the Participant has any questions about this statement or about his rights under ERISA, he should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in the telephone directory or the Division of Technical Assistance and Inquires, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210.

15.2 Other Important Facts .

OFFICIAL NAME OF THE PLAN: Ryder System, Inc. Executive Severance Plan

SPONSOR: Ryder System, Inc.
11690 NW 105th Street
Miami, Florida 33178-1103
(305) 500-3726

EMPLOYER IDENTIFICATION
NUMBER (EIN): 59-0739250

PLAN NUMBER: [___]

TYPE OF PLAN: Employee Welfare Severance Benefit Plan

END OF PLAN YEAR: December 31

TYPE OF ADMINISTRATION: Employer Administered

PLAN ADMINISTRATOR: Ryder's Chief Human Resources Officer
11690 NW 105 th Street
Miami, Florida 33178-1103

RESTATEMENT EFFECTIVE DATE: January 1, 2013

The Plan Administrator keeps records of the Plan and is responsible for the administration of the Plan. The Plan Administrator will also answer any questions you may have about the Plan.

Service of legal process may be made upon the Plan Administrator.

No individual may, in any case, become entitled to additional benefits or other rights under this Plan after the Plan is terminated. Under no circumstances, will any benefit under this Plan ever vest or become nonforfeitable.

Exhibit 10.4(w)

PERFORMANCE-BASED CASH AWARD (TSR and ROC)
ISSUED UNDER
RYDER SYSTEM, INC. 2012 EQUITY AND INCENTIVE COMPENSATION PLAN

2013 TERMS AND CONDITIONS

The following terms and conditions apply to the 2013 performance-based cash awards (the "PBCAs") granted by Ryder System, Inc. (the "Company") under the Ryder System, Inc. 2012 Equity and Incentive Compensation Plan (the "Plan"), as specified in the Performance-Based Cash Award Notification (the "Notification") which references these terms and conditions. Certain terms of the PBCA, including the Participant's target cash opportunity, are set forth in the Notification. The Compensation Committee of the Company's Board of Directors (the "Committee") shall administer the PBCAs in accordance with the Plan. Capitalized terms used herein and not defined shall have the meaning ascribed to such terms in the Plan or in the Notification.

1. ***General*** . Each PBCA represents the right to receive a cash payment on a future date based upon the attainment of certain financial performance goals and continued employment, on the terms and conditions set forth herein, in the Notification and in the Plan, the applicable terms, conditions and other provisions of which are incorporated by reference herein (collectively, the "Award Documents"). A copy of the Plan and the documents that constitute the "Prospectus" for the Plan under the Securities Act of 1933, have been made available to the Participant prior to or along with delivery of the Notification. In the event there is an express conflict between the provisions of the Plan and those set forth in any other Award Document, the terms and conditions of the Plan shall govern. It is intended that the PBCAs qualify as "performance-based compensation" for purposes of Section 162(m) of the Code.

   The terms and conditions contained herein may be amended by the Committee as permitted by the Plan; none of the terms and conditions of the PBCA may be amended or waived without the prior approval of the Committee. Any amendment or waiver not approved by the Committee will be void and have no force or effect. Any employee or officer of the Company who authorizes any such amendment or waiver without the prior approval of the Committee will be subject to disciplinary action up to and including forfeiture of his or her PBCA and/or termination of employment (unless otherwise prohibited by law). All decisions and determinations made by the Committee relating to the PBCA shall be final and binding on the Participant, his or her beneficiaries and any other person having or claiming an interest under the Plan.

2. ***Financial Performance Goals*** .

   Fifty percent (50%) of the dollar amount specified in the Notification (the "Target PBCA") will accrue based on the Company's Return on Capital and fifty percent (50%) of the dollar amount specified in the Notification will accrue based on the Company's TSR Rank (as defined in this Section 2).

   Return on Capital

   With respect to each ROC Performance Period, the Company's ROC, as finally determined by the Committee pursuant to this Section 2, will be measured annually against a Maximum ROC, Target ROC and Threshold ROC, and the right to the PBCA will accrue, based on the following schedule:

Company's ROC	ROC Accrual Percentage
Maximum ROC	125%
Target ROC	100%
Threshold ROC	25%
Below Threshold ROC	0%

For purposes of the schedule above, by March 31 of each ROC Performance Period, the Committee will determine the Maximum ROC, Target ROC and Threshold ROC for such ROC Performance Period. If the Company's ROC falls between the measuring points on the foregoing schedule, the ROC Accrual Percentage for such ROC Performance Period will be determined proportionally between the measuring points.

Once established, the Maximum ROC, Target ROC and Threshold ROC shall not be changed during the ROC Performance Period; provided, however, if the Committee determines that external changes or other unanticipated business conditions have materially affected the fairness of the applicable performance goals, then the appropriate adjustments may be made to the applicable performance goals (either up or down) during the ROC Performance Period.

As soon as practicable after the end of the applicable ROC Performance Period, the Committee will review and approve the calculation of the Company's ROC for purposes of determining the ROC Accrual Percentage The Company's ROC will be calculated in accordance with generally accepted accounting principles ("GAAP"), provided that, the Committee may exclude or include the following items from actual results in determining performance including (i) changes in accounting principle, standard or policy; (ii) changes in law or regulation; (iii) asset impairments; (iv) restructuring charges; (v) discontinued operations; and (vi) non-operational or non-recurring items, in each case, other than those included in the Target ROC for the relevant ROC Performance Period.

TSR Rank

At the end of each TSR Performance Period, the Company TSR and the Total Shareholder Return of the companies included in the Comparator Group for that TSR Performance Period will be ranked from highest to lowest, with the Company's rank being defined as the "Company's TSR Rank". The right to the PBCA will accrue, based on the following schedule:

Company's TSR Rank	TSR Accrual Percentage
1 - 10	125%
11	118.75%
12	112.50%
13	106.25%
14	100%
15	85%
16	70%
17	55%
18	40%
19	25%
20 - 28	0%

If any company in the Comparator Group does not have a stock price that is quoted on a national securities exchange during the last ten (10) trading days of the applicable TSR Performance Period, such company will be deleted from the Comparator Group effective at the beginning of such TSR Performance Period . Notwithstanding the foregoing, if any company(ies) in the Comparator Group file for bankruptcy, become insolvent or dissolve prior to the end of the applicable TSR Performance Period, such company(ies) will be deemed to be ranked last among all companies in the Comparator Group. If the number of companies in the Comparator Group changes, the Committee will, if deemed necessary, adjust the TSR Accrual Percentages forth above, consistent with the methodology used to determine the TSR Accrual Percentages set forth above.

3. ***Payment of Award*** . Provided that the Participant remained continuously employed through the end of the Three-Year Performance Period (but subject to Section 4 below), a cash payment equal to the Accrued PBCA, less applicable withholding taxes, will be made to the Participant. Such payment will be made as soon as practicable after the Committee has determined the Company's ROC Accrual Percentage for the Third ROC Performance Period and the Company's TSR Accrual Percentage for the Third TSR Performance Period, provided that in no event shall the payment be made after March 15, 2016, unless administratively impracticable to do so.

4. ***Termination of the PBCA; Forfeiture.*** The PBCA will be cancelled upon the termination of the Participant's employment with the Company and its Subsidiaries as described below.

(a) Resignation by the Participant or Termination by the Company or a Subsidiary : Except as provided in subsection (b) below, upon any termination of a Participant's employment with the Company and its Subsidiaries prior to the end of the Three-Year Performance Period, the outstanding PBCA, whether or not accrued, will be forfeited and the Participant will not have any right to any payment in respect thereof. In addition, even if a Participant remains employed through the end of the Three-Year Performance Period, if the Participant's employment is subsequently terminated by the Company or a Subsidiary for Cause, the right to any payment shall be forfeited, and the Company shall have the right to reclaim and receive from the Participant any payment in respect of the PBCA made to the Participant pursuant to Section 3 within the one year period before the date of the Participant's termination of employment.

(b) Termination by reason of Death, Disability or Retirement : If a Participant's employment terminates due to death, Disability or Retirement prior to the end of the Three-Year Performance Period, the Participant (or his or her Beneficiary, in the event of death) will be entitled to receive a pro-rata portion of the cash payment that would have been paid pursuant to Section 3 had the Participant remained employed through the end of the Three-Year Performance Period, based on the number of days during the Three-Year Performance Period that the Participant is considered to be an active employee as determined by the Company, payable at the time and manner specified in Section 3 above.

(c) Proscribed Activity : If, during the Proscribed Period but prior to a Change of Control, the Participant engages in a Proscribed Activity, then the Company shall have the right to reclaim and receive from the Participant all cash paid to the Participant pursuant to Section 3 during the one year period immediately prior to, or at any time following, the date of the Participant's termination of employment.

5. ***Change of Control*** **.** Notwithstanding anything contained herein to the contrary, unless otherwise determined by the Committee prior to a Change of Control which occurs during the Three-Year Performance Period, immediately prior to any such Change of Control, each Participant shall be entitled to a cash payment equal to the sum of (a) with respect to each completed Performance Period, the Accrued PBCA at the time of the Change of Control, and (b) with respect to each uncompleted Performance Period, the Target PBCA. Such cash payment shall be made within 30 days following the Change of Control; provided that such Change of Control constitutes a change "in ownership" or "effective control" or a change in the "ownership of a substantial portion of the assets" of the Company under Section 409A of the Code and the rulings and regulations issued thereunder (any such transaction, a "409A Compliant COC"). In the event that such Change of Control does not constitute a 409A Compliant COC (any such transaction, a "Non-409A Compliant COC"), to the extent that the Accrued PBCA is no longer subject to a substantial risk of forfeiture, the Accrued PBCA will be converted into a right to receive a cash payment. Such cash payment will be distributed to the Participant on the earlier of the otherwise applicable distribution date set forth in Section 3 above and the Participant's separation from service (as defined by Section 409A of the Code).

To the extent (i) a Participant's employment was terminated by the Company other than for Cause or Disability within the 12 months prior to the date on which the Change of Control occurred, (ii) during such 12 month period the Participant did not engage in a Proscribed Activity, and (iii) the Committee determines, in its sole and absolute discretion, that the decision related to such termination was made in contemplation of the Change of Control, then upon the Change of Control, the Participant will become entitled to a cash payment equal to the cash payment to which the Participant would otherwise have been entitled pursuant to the preceding paragraph on the date of the Change of Control if the Participant's employment had continued until the date of the Change of Control. In the event of a 409A Compliant COC, such cash payment will be made in a lump sum on the date on which the Change of Control occurs. In the event a Non-409A Compliant COC occurs, the cash payment will be distributed to the Participant on the first anniversary of the Participant's separation from service.

In the event of a Non-409A Compliant COC, then immediately prior to or in connection with the consummation of the Change of Control, the Company shall pay into one or more trust(s) (the "Trust(s)") established between the Company and any financial institution with assets in excess of $100 million selected by the Company prior to the Change of Control, as trustee (the "Trustee"), such amounts as are required in order to fully pay the amounts payable pursuant to this Section 5 or as are otherwise required pursuant to the terms of the Trust(s), with payment to be made in cash or cash equivalents. Thereafter, all amounts payable pursuant to this Section 5 shall be paid out of the Trust

(s); provided, however, that the Company shall retain liability for and pay the applicable Participant any amounts or provide for such other benefits due the Participant under the Plan for which there are insufficient funds in the Trust(s), for which no funding of the Trust(s) is required, or in the event that the Trustee fails to make timely payment.

6. ***U.S. Federal, State and Local Income Tax Withholding.*** Any payment made pursuant to the PBCA will be taxable to the Participant when paid as ordinary income, subject to wage-based withholding and reporting. The Company will satisfy this withholding obligation by reducing the cash to be paid in an amount sufficient to satisfy the withholding obligations. In addition, if the Participant is vesting in performance-based restricted stock ("PBRSRs") at the same time as he/she vests in the PBCA, the amount of the cash to be paid pursuant to the PBCA may be further reduced in an amount sufficient to satisfy the PBRSR withholding obligations due (based on the Fair Market Value of the Shares on the vesting date for the related PBRSRs). This Section 6 shall only apply with respect to the Company's U.S. federal, state and local income tax withholding obligations. The Company may satisfy any tax obligations it may have in any other jurisdiction in any manner it deems, in its sole and absolute discretion, to be necessary or appropriate.

7. ***Statute of Limitations and Conflicts of Laws.*** All rights of action by, or on behalf of the Company or by any shareholder against any past, present, or future member of the Board of Directors, officer, or employee of the Company arising out of or in connection with the PBCA or the Award Documents, must be brought within three years from the date of the act or omission in respect of which such right of action arises. The PBCA and the Award Documents shall be governed by the laws of the State of Florida, without giving effect to principles of conflict of laws, and construed accordingly.

8. ***No Employment Right*** . Neither the grant of the PBCA nor any action taken hereunder shall be construed as giving any employee or any Participant any right to be retained in the employ of the Company. The Company is under no obligation to grant the PBCA hereunder. Nothing contained in the Award Documents shall limit or affect in any manner or degree the normal and usual powers of management, exercised by the officers and the Board of Directors or committees thereof, to change the duties or the character of employment of any employee of the Company or to remove the individual from the employment of the Company at any time, all of which rights and powers are expressly reserved.

9. ***No Assignment*** . A Participant's rights and interest under the PBCA may not be assigned or transferred, except as otherwise provided herein, and any attempted assignment or transfer shall be null and void and shall extinguish, in the Company's sole discretion, the Company's obligation under the PBCA or the Award Documents.

10. ***Unfunded Plan*** . Any amounts owed under the PBCA shall be unfunded. The Company shall not be required to establish any special or separate fund, or to make any other segregation of assets, to assure payment of any earned amounts.

11. ***Definitions*** **.**

(a) "Accrued PBCA" means the sum of (i) the ROC Accrued PBCA for all ROC Performance Periods and (ii) the TSR Accrued PBCA for all TSR Performance Periods.

(b) "Cause" shall have the meaning set forth in any individual, valid, written agreement between the Participant and the Company or any Subsidiary, or, if none exists, shall mean a determination of "Cause" under any applicable Severance Plan, as in effect on the date of grant of the PBCA. Notwithstanding the foregoing, unless otherwise set forth in any individual, valid, written agreement between the Participant and the Company or any

Subsidiary, during the one year period following a Change of Control, in no event shall a failure to meet performance expectations constitute Cause unless such failure was willful.

(c) "Company TSR" means the Company's Total Shareholder Return for a TSR Performance Period.

(d) "Company's Return on Capital" or "Company ROC" means the Company's tax adjusted earnings from continuing operations, excluding interest, as a percentage of the sum of the Company's average (i) debt, (ii) off-balance sheet debt and (iii) shareholders' equity.

(e) "Comparator Group" means the companies listed on Exhibit A hereto.

(f) "Disability" means (i) the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months; (ii) the Participant is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under an accident and health plan of the Company; or (iii) a determination by the Social Security Administration that a Participant is totally disabled.

(g) "First ROC Performance Period" means the period from January 1, 2013 through December 31, 2013.

(h) "First TSR Performance Period" means the period from January 1, 2013 through December 31, 2013.

(i) "Performance Period" means a ROC Performance Period or a TSR Performance Period, as applicable.

(j) "Proscribed Activity" means any of the following:

(i) the Participant's breach of any written agreement between the Participant and the Company or any of its Subsidiaries, including any agreement relating to nondisclosure, noncompetition, nonsolicitation and/or nondisparagement;

(ii) the Participant's direct or indirect unauthorized use or disclosure of confidential information or trade secrets of the Company or any Subsidiary, including, but not limited to, such matters as costs, profits, markets, sales, products, product lines, key personnel, pricing policies, operational methods, customers, customer requirements, suppliers, plans for future developments, and other business affairs and methods and other information not readily available to the public;

(iii) the Participant's direct or indirect engaging or becoming a partner, director, officer, principal, employee, consultant, investor, creditor or stockholder in/for any business, proprietorship, association, firm or corporation not owned or controlled by the Company or its Subsidiaries which is engaged or proposes to engage in a business competitive directly or indirectly with the business conducted by the Company or its Subsidiaries in any geographic area where such business of the Company or its Subsidiaries is conducted, provided that the Participant's

investment in 1% or less of the outstanding capital stock of any corporation whose stock is listed on a national securities exchange shall not be treated as a Proscribed Activity;

(iv) the Participant's direct or indirect, either on the Participant's own account or for any person, firm or company, soliciting, interfering with or inducing, or attempting to induce, any employee of the Company or any of its Subsidiaries to leave his or her employment or to breach his or her employment agreement;

(v) the Participant's direct or indirect taking away, interfering with relations with, diverting or attempting to divert from the Company or any Subsidiary any business with any customer of the Company or any Subsidiary, including (A) any customer that has been solicited or serviced by the Company within one year prior to the date of termination of Participant's employment with the Company and (B) any customer with which the Participant has had contact or association, or which was under the supervision of Participant, or the identity of which was learned by the Participant as a result of Participant's employment with the Company;

(vi) the Participant's making of any remarks disparaging the conduct or character of the Company or any of its Subsidiaries, or their current or former agents, employees, officers, directors, successors or assigns; or

(vii) the Participant's failure to cooperate with the Company or any Subsidiary, for no additional compensation (other than reimbursement of expenses), in any litigation or administrative proceedings involving any matters with which the Participant was involved during the Participant's employment with the Company or any Subsidiary.

(k) "Proscribed Period" means the period beginning on the date of termination of Participant's employment and ending on the later of (A) the one year anniversary of such termination date or (B) if the Participant is entitled to severance benefits in the form of salary continuation, the date on which salary continuation is no longer payable to the Participant.

(l) "Retirement" means termination of employment for any reason (other than for Cause or by reason of death or Disability) upon or following attainment of age 55 and completion of 10 years of service, or upon or following attainment of age 65 without regard to years of service; provided that, Retirement shall not be deemed to occur unless such termination of service constitutes a separation from service, as defined by Section 409A of the Code.

(m) "ROC Accrual Percentage" means the percentage of the PBCA that accrues at the end of each ROC Performance Period pursuant to Section 2 based on the Company's ROC.

(n) "ROC Accrued PBCA" means, for each ROC Performance Period, the ROC Accrual Percentage for each ROC Performance Period times one-third of the ROC PBCA Award.

(o) "ROC PBCA Award" means fifty percent (50%) of the dollar amount specified in the Notification.

(p) "ROC Performance Period" means the First ROC Performance Period, the Second ROC Performance Period, or the Third ROC Performance Period, as applicable.

(q) "Rolling Total Shareholder Return" means, for each of the ten (10) consecutive trading days immediately preceding the first day of the applicable TSR Performance Period, the percentage change from (i) the closing stock price on such trading date to(ii) the closing stock price on the corresponding trading date in the last ten (10) consecutive trading days of the applicable TSR Performance Period, assuming reinvestment of dividends on the ex-dividend date.

(r) "Second ROC Performance Period" means the period from January 1, 2014 through December 31, 2014.

(s) "Second TSR Performance Period" means the period from January 1, 2013 through December 31, 2014.

(t) "Third ROC Performance Period" means the period from January 1, 2015 through December 31, 2015.

(u) "Third TSR Performance Period" means the period from January 1, 2013 through December 31, 2015.

(v) "Three-Year Performance Period" means the period from January 1, 2013 through December 31, 2015.

(w) "Total Shareholder Return" means, for each TSR Performance Period, the sum of the ten (10) Rolling Total Shareholder Return calculations for the applicable TSR Performance Period, divided by ten (10).

(x) "TSR Accrual Percentage" means the percentage of the PBCA that accrues at the end of each TSR Performance Period pursuant to Section 2 based on the Company's TSR Rank.

(y) "TSR Accrued PBCA" means, for each TSR Performance Period, the TSR Accrual Percentage for each TSR Performance Period times one-third of the TSR PBCA Award.

(z) "TSR PBCA Award" means fifty percent (50%) of the dollar amount specified in the Notification.

(aa) "TSR Performance Period" means the First TSR Performance Period, the Second TSR Performance Period, or the Third TSR Performance Period, as applicable.

12. ***Other Benefits*** **.** No amount accrued or paid under the PBCA shall be deemed compensation for purposes of computing a Participant's benefits under any retirement plan of the Company or its Subsidiaries, nor affect any benefits under any other benefit plan now or subsequently in effect under which the availability or amount of benefits is related to the Participant's level of compensation.

Exhibit A

ARKANSAS BEST CORP
AVIS BUDGET GROUP INC
C. H. ROBINSON WORLDWIDE INC
CELADON GROUP INC
CON-WAY INC
CSX CORPORATION
EXPEDITORS INTERNATIONAL OF WASHINGTON, INC
FEDEX CORPORATION
FORWARD AIR CORP
GATX CORPORATION
HEARTLAND EXPRESS INC
HERTZ GLOBAL HOLDINGS INC
HUB GROUP INC
J.B. HUNT TRANSPORT SERVICES INC
KNIGHT TRANSPORTATION INC
LANDSTAR SYSTEM INC
OLD DOMINION FREIGHT LINE INC.
PACER INTERNATIONAL INC
PHH CORP
SAIA INC
SWIFT TRANSPORTATION CO
TAL INTERNATIONAL GROUP INC
TRINITY INDUSTRIES
UNITED PARCEL SERVICE INC
UNIVERSAL TRUCKLOAD SERVICES INC
UTI WORLDWIDE INC
WERNER ENTERPRISES INC

Exhibit 10.4(x)

PERFORMANCE-BASED RESTRICTED STOCK RIGHTS (TSR and ROC)
ISSUED UNDER
RYDER SYSTEM, INC. 2012 EQUITY AND INCENTIVE COMPENSATION PLAN

2013 TERMS AND CONDITIONS

The following terms and conditions apply to the 2013 performance-based restricted stock rights (the "PBRSRs") granted by Ryder System, Inc. (the "Company") under the Ryder System, Inc. 2012 Equity and Incentive Compensation Plan (the "Plan"), as specified in the Performance-Based Restricted Stock Rights Award Notification (the "Notification") which references these terms and conditions. Certain terms of the PBRSRs including the number of Shares underlying the PBRSRs, are set forth in the Notification. The Compensation Committee of the Company's Board of Directors (the "Committee") shall administer the PBRSRs in accordance with the Plan. Capitalized terms used herein and not defined shall have the meaning ascribed to such terms in the Plan or in the Notification.

1. ***General*** . Each PBRSR represents the right to receive one Share on a future date based upon the attainment of certain financial performance goals and continued employment, on the terms and conditions set forth herein, in the Notification and in the Plan, the applicable terms, conditions and other provisions of which are incorporated by reference herein (collectively, the "Award Documents"). A copy of the Plan and the documents that constitute the "Prospectus" for the Plan under the Securities Act of 1933, have been made available to the Participant prior to or along with delivery of the Notification. In the event there is an express conflict between the provisions of the Plan and those set forth in any other Award Document, the terms and conditions of the Plan shall govern. It is intended that the PBRSRs qualify as "performance-based compensation" for purposes of Section 162(m) of the Code.

   The terms and conditions contained herein may be amended by the Committee as permitted by the Plan; none of the terms and conditions of the PBRSRs may be amended or waived without the prior approval of the Committee. Any amendment or waiver not approved by the Committee will be void and have no force or effect. Any employee or officer of the Company who authorizes any such amendment or waiver without the prior approval of the Committee will be subject to disciplinary action up to and including forfeiture of his or her PBRSRs and/or termination of employment (unless otherwise prohibited by law). All decisions and determinations made by the Committee relating to the PBRSRs shall be final and binding on the Participant, his or her beneficiaries and any other person having or claiming an interest under the Plan.

2. ***Financial Performance Goals*** .

   Fifty percent (50%) of the number of PBRSRs subject to an Award as set forth in the Notification (the "Target PBRSRs") will accrue based on the Company's Return on Capital and fifty percent (50%) of the number of PBRSRs subject to an Award as set forth in the Notification will accrue based on the Company's TSR Rank (as defined in Section 2).

   Return on Capital

   With respect to each ROC Performance Period, the Company's ROC, as finally determined by the Committee pursuant to this Section 2, will be measured annually against a Maximum ROC, Target ROC and Threshold ROC, and the right to the PBRSRs will accrue, based on the following schedule:

Company's ROC	ROC Accrual Percentage
Maximum ROC	125%
Target ROC	100%
Threshold ROC	25%
Below Threshold ROC	0%

For purposes of the schedule above, by March 31 of each ROC Performance Period, the Committee will determine the Maximum ROC, Target ROC and Threshold ROC for such ROC Performance Period. If the Company's ROC falls between the measuring points on the foregoing schedule, the ROC Accrual Percentage for such ROC Performance Period will be determined proportionally between the measuring points. Any fractional PBRSR resulting from the vesting of the PBRSRs shall be rounded down to the nearest whole number.

Once established, the Maximum ROC, Target TOC and Threshold ROC shall not be changed during the ROC Performance Period; provided, however, if the Committee determines that external changes or other unanticipated business conditions have materially affected the fairness of the applicable performance goals, then the appropriate adjustments may be made to the applicable performance goals (either up or down) during the ROC Performance Period.

As soon as practicable after the end of the applicable ROC Performance Period, the Committee will review and approve the calculation of the Company's ROC for purposes of determining the ROC Accrual Percentage. The Company's ROC will be calculated in accordance with generally accepted accounting principles ("GAAP"), provided that, the Committee may exclude or include the following items from actual results in determining performance (i) changes in accounting principle, standard or policy; (ii) changes in law or regulation; (iii) asset impairments; (iv) restructuring charges; (v) discontinued operations; and (vi) non-operational or non-recurring items, in each case, other than those included in the Company's Target ROC for the relevant ROC Performance Period.

TSR Rank

At the end of each TSR Performance Period, the Company TSR and the Total Shareholder Return of the companies included in the Comparator Group for that TSR Performance Period will be ranked from highest to lowest, with the Company's rank being defined as the "Company's TSR Rank". The right to the PBRSRs will accrue, based on the following schedule:

Company's TSR Rank	TSR Accrual Percentage
1 – 10	125%
11	118.75%
12	112.50%
13	106.25%
14	100%
15	85%
16	70%
17	55%
18	40%
19	25%
20 – 28	0%

If any company in the Comparator Group does not have a stock price that is quoted on a national securities exchange during the last ten (10) trading days of the applicable TSR Performance Period, such company will be deleted from the Comparator Group effective at the beginning of such TSR Performance Period . Notwithstanding the foregoing, if any company(ies) in the Comparator Group file for bankruptcy, become insolvent or dissolve prior to the end of the applicable TSR Performance Period, such company(ies) will be deemed to be ranked last among all companies in the Comparator Group. If the number of companies in the Comparator Group changes, the Committee will, if deemed necessary, adjust the TSR Accrual Percentages forth above, consistent with the methodology used to determine the TSR Accrual Percentages set forth above.

Any fractional PBRSR resulting from the vesting of the PBRSRs shall be rounded down to the nearest whole number.

3. ***Delivery of Shares*** . Provided that the Participant remained continuously employed through the end of the Three-Year Performance Period (but subject to Section 4 below), the number of Shares equal to the number of Accrued PBRSRs, net of the number of Shares necessary to satisfy applicable withholding taxes, will be transferred to an account held in the name of the Participant by the Company's independent stock plan administrator and the Participant will receive notice of such transfer together with all relevant account details. Such transfer will occur as soon as practicable after the Committee has determined the ROC Accrual Percentage for the Third ROC Performance Period and the TSR Accrual Percentage for the Third TSR Performance Period, provided that in no event shall the transfer be made after March 15, 2016, unless administratively impracticable to do so.

4. ***Termination of PBRSRs; Forfeiture.*** The PBRSRs will be cancelled upon the termination of the Participant's employment with the Company and its Subsidiaries as described below.

(a) Resignation by the Participant or Termination by the Company or a Subsidiary : Except as provided in subsection (b) below, upon any termination of a Participant's employment with the Company and its Subsidiaries prior to the end of the Three-Year Performance Period, all outstanding PBRSRs, whether or not accrued, will be forfeited and the Participant will not have any right to delivery of Shares. In addition, even if a Participant remains employed through the end of the Three-Year Performance Period, if the Participant's employment is subsequently terminated by the Company or a Subsidiary for Cause, the right to any undelivered Shares shall be forfeited, and the Company shall have the right to reclaim and receive from the Participant any Shares delivered to the Participant pursuant to Section 3 within the one year period before the date of the Participant's termination of employment, or to the extent

the Participant has transferred such Shares, the equivalent after-tax value thereof (as of the date the Shares were transferred by the Participant) in cash.

(b) Termination by reason of Death, Disability or Retirement : If a Participant's employment terminates due to death, Disability or Retirement prior to the end of the Three-Year Performance Period, the Participant (or his or her Beneficiary, in the event of death) will be entitled to receive a pro-rata number of Shares that would have been delivered pursuant to Section 3 had the Participant remained employed through the end of the Three-Year Performance Period, based on the number of days during the Three-Year Performance Period that the Participant is considered to be an active employee as determined by the Company, payable at the time and manner specified in Section 3 above.

(c) Proscribed Activity : If, during the Proscribed Period but prior to a Change of Control, the Participant engages in a Proscribed Activity, then the Company shall have the right to reclaim and receive from the Participant all Shares delivered to the Participant pursuant to Section 3 during the one year period immediately prior to, or at any time following, the date of the Participant's termination of employment, or to the extent the Participant has transferred such Shares, the after-tax equivalent value thereof (as of the date the Shares were transferred by the Participant) in cash.

5. ***Change of Control*** **.** Notwithstanding anything contained herein to the contrary, unless otherwise determined by the Committee prior to a Change of Control which occurs during the Three-Year Performance Period, immediately prior to any such Change of Control, each Participant shall be entitled to delivery of a number of Shares equal to the sum of (a) with respect to each completed Performance Period, the number of Accrued PBRSRs at the time of the Change of Control, and (b) with respect to each uncompleted Performance Period, the Target PBRSRs. Upon the occurrence of a Change of Control, all Shares subject to Accrued PBRSRs, will be delivered to the Participant in accordance with Section 3 above; provided that such Change of Control constitutes a change "in ownership" or "effective control" or a change in the "ownership of a substantial portion of the assets" of the Company under Section 409A of the Code and the rulings and regulations issued thereunder (any such transaction, a "409A Compliant COC"). In the event that such Change of Control does not constitute a 409A Compliant COC (any such transaction, a "Non-409A Compliant COC"), to the extent that the Accrued PBRSRs are no longer subject to a substantial risk of forfeiture, each Accrued PBRSR will be converted into a right to receive a cash payment equal to the Fair Market Value of a Share on the date on which the Change of Control occurs. Such cash payment will be distributed to the Participant on the earlier of the otherwise applicable distribution date set forth in Section 3 above and the Participant's separation from service (as defined by Section 409A of the Code).

To the extent (i) a Participant's employment was terminated by the Company other than for Cause or Disability within the 12 months prior to the date on which the Change of Control occurred, (ii) during such 12 month period the Participant did not engage in a Proscribed Activity, and (iii) the Committee determines, in its sole and absolute discretion, that the decision related to such termination was made in contemplation of the Change of Control, then upon the Change of Control, the Participant will become entitled to a cash payment equal to the product of: the Fair Market Value of a Share on the date of the Change of Control and the number of Shares to which the Participant would otherwise have been entitled pursuant to the preceding paragraph on the date of the Change of Control if the Participant's employment had continued until the date of the Change of Control. In the event of a 409A Compliant COC, such cash payment will be made in a lump sum on the date on which the Change of Control occurs. In the event a Non-409A Compliant COC

occurs, the cash payment will be distributed to the Participant on the first anniversary of the Participant's separation from service.

In the event of a Non-409A Compliant COC, then immediately prior to or in connection with the consummation of the Change of Control, the Company shall pay into one or more trust(s) (the "Trust(s)") established between the Company and any financial institution with assets in excess of $100 million selected by the Company prior to the Change of Control, as trustee (the "Trustee"), such amounts as are required in order to fully pay the amounts payable pursuant to this Section 5 or as are otherwise required pursuant to the terms of the Trust(s), with payment to be made in cash or cash equivalents. Thereafter, all amounts payable pursuant to this Section 5 shall be paid out of the Trust(s); provided, however, that the Company shall retain liability for and pay the applicable Participant any amounts or provide for such other benefits due the Participant under the Plan for which there are insufficient funds in the Trust(s), for which no funding of the Trust(s) is required, or in the event that the Trustee fails to make timely payment.

6. ***Rights as a Shareholder; Dividend Equivalent Rights.*** The Participant will not have the rights of a shareholder of the Company with respect to Shares subject to the PBRSRs until such Shares are actually delivered to the Participant. At the time Shares are delivered to the Participant pursuant to Section 3 or Section 5, as applicable, the Company will make a cash payment equal to the product of (i) the number of Accrued PBRSRs, and (ii) the aggregate dividends paid on a Share during the Three-Year Performance Period.

7. ***U.S. Federal, State and Local Income Tax Withholding.*** The PBRSRs will not be taxable until the Shares are delivered. The Shares when delivered will be taxable to the Participant at their then Fair Market Value as ordinary income, subject to wage-based withholding and reporting. If the Participant is also receiving cash under any performance-based cash awards, the Company will first satisfy the withholding obligations for the PBRSRs by reducing the performance-based cash, in an amount sufficient to satisfy the withholding obligations. If, after the Company has reduced all of the performance-based cash, there are still withholding tax obligations due, the Company will reduce the number of Shares to be delivered to the Participant in an amount sufficient to satisfy the balance of the withholding obligations due (based on the Fair Market Value of the Shares on the vesting date for the related PBRSRs). The payment of cash dividend equivalents will be taxable to the Participant as ordinary income when paid, subject to wage-based withholding and reporting. This Section 7 shall only apply with respect to the Company's U.S. federal, state and local income tax withholding obligations. The Company may satisfy any tax obligations it may have in any other jurisdiction in any manner it deems, in its sole and absolute discretion, to be necessary or appropriate.

8. ***Statute of Limitations and Conflicts of Laws.*** All rights of action by, or on behalf of the Company or by any shareholder against any past, present, or future member of the Board of Directors, officer, or employee of the Company arising out of or in connection with the PBRSRs or the Award Documents, must be brought within three years from the date of the act or omission in respect of which such right of action arises. The PBRSRs and the Award Documents shall be governed by the laws of the State of Florida, without giving effect to principles of conflict of laws, and construed accordingly.

9. ***No Employment Right*** . Neither the grant of the PBRSRs nor any action taken hereunder shall be construed as giving any employee or any Participant any right to be retained in the employ of the Company. The Company is under no obligation to grant PBRSRs hereunder. Nothing contained in the Award Documents shall limit or affect in any manner or degree the normal and usual powers

of management, exercised by the officers and the Board of Directors or committees thereof, to change the duties or the character of employment of any employee of the Company or to remove the individual from the employment of the Company at any time, all of which rights and powers are expressly reserved.

10. ***No Assignment*** . A Participant's rights and interest under the PBRSRs may not be assigned or transferred, except as otherwise provided herein, and any attempted assignment or transfer shall be null and void and shall extinguish, in the Company's sole discretion, the Company's obligation under the PBRSRs or the Award Documents.

11. ***Unfunded Plan*** . Any shares or other amounts owed under the PBRSRs shall be unfunded. The Company shall not be required to establish any special or separate fund, or to make any other segregation of assets, to assure delivery or payment of any earned amounts.

12. ***Definitions*** **.**

(a) "Accrued PBRSRs" means the sum of (i) the ROC Accrued PBRSRs for all ROC Performance Periods and (ii) the TSR Accrued PBRSRs for all TSR Performance Periods.

(b) "Cause" shall have the meaning set forth in any individual, valid, written agreement between the Participant and the Company or any Subsidiary, or, if none exists, shall mean a determination of "Cause" under any applicable Severance Plan, as in effect on the date of grant of the PBRSRs. Notwithstanding the foregoing, unless otherwise set forth in any individual, valid, written agreement between the Participant and the Company or any Subsidiary, during the one year period following a Change of Control, in no event shall a failure to meet performance expectations constitute Cause unless such failure was willful.

(c) "Company TSR" means the Company's Total Shareholder Return for a TSR Performance Period.

(d) "Company's Return on Capital" or "Company ROC" means the Company's tax adjusted earnings from continuing operations, excluding interest, as a percentage of the sum of the Company's average (i) debt, (ii) off-balance sheet debt and (iii) shareholders' equity.

(e) "Comparator Group" means the companies listed on Exhibit A hereto.

(f) "Disability" means (i) the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months; (ii) the Participant is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under an accident and health plan of the Company; or (iii) a determination by the Social Security Administration that a Participant is totally disabled.

(g) "First ROC Performance Period" means the period from January 1, 2013 through December 31, 2013.

(h) "First TSR Performance Period" means the period from January 1, 2013 through December 31, 2013.

(i) "Performance Period" means an ROC Performance Period or a TSR Performance Period, as applicable.

(j) "Proscribed Activity" means any of the following:

(i) the Participant's breach of any written agreement between the Participant and the Company or any of its Subsidiaries, including any agreement relating to nondisclosure, noncompetition, nonsolicitation and/or nondisparagement;

(ii) the Participant's direct or indirect unauthorized use or disclosure of confidential information or trade secrets of the Company or any Subsidiary, including, but not limited to, such matters as costs, profits, markets, sales, products, product lines, key personnel, pricing policies, operational methods, customers, customer requirements, suppliers, plans for future developments, and other business affairs and methods and other information not readily available to the public;

(iii) the Participant's direct or indirect engaging or becoming a partner, director, officer, principal, employee, consultant, investor, creditor or stockholder in/for any business, proprietorship, association, firm or corporation not owned or controlled by the Company or its Subsidiaries which is engaged or proposes to engage in a business competitive directly or indirectly with the business conducted by the Company or its Subsidiaries in any geographic area where such business of the Company or its Subsidiaries is conducted, provided that the Participant's investment in 1% or less of the outstanding capital stock of any corporation whose stock is listed on a national securities exchange shall not be treated as a Proscribed Activity;

(iv) the Participant's direct or indirect, either on the Participant's own account or for any person, firm or company, soliciting, interfering with or inducing, or attempting to induce, any employee of the Company or any of its Subsidiaries to leave his or her employment or to breach his or her employment agreement;

(v) the Participant's direct or indirect taking away, interfering with relations with, diverting or attempting to divert from the Company or any Subsidiary any business with any customer of the Company or any Subsidiary, including (A) any customer that has been solicited or serviced by the Company within one year prior to the date of termination of Participant's employment with the Company and (B) any customer with which the Participant has had contact or association, or which was under the supervision of Participant, or the identity of which was learned by the Participant as a result of Participant's employment with the Company;

(vi) the Participant's making of any remarks disparaging the conduct or character of the Company or any of its Subsidiaries, or their current or former agents, employees, officers, directors, successors or assigns; or

(vii) the Participant's failure to cooperate with the Company or any Subsidiary, for no additional compensation (other than reimbursement of expenses), in any litigation or administrative proceedings involving any matters with which the Participant was involved during the Participant's employment with the Company or any Subsidiary.

(k) "Proscribed Period" means the period beginning on the date of termination of Participant's employment and ending on the later of (A) the one year anniversary of such termination date or (B) if the Participant is entitled to severance benefits in the form of salary continuation, the date on which salary continuation is no longer payable to the Participant.

(l) "Retirement" means termination of employment for any reason (other than for Cause or by reason of death or Disability) upon or following attainment of age 55 and completion of 10 years of service, or upon or following attainment of age 65 without regard to years of service; provided that, Retirement shall not be deemed to occur unless such termination of service constitutes a separation from service, as defined by Section 409A of the Code.

(m) "ROC Accrual Percentage" means the percentage of the PBRSRs that accrues at the end of each ROC Performance Period pursuant to Section 2 based on the Company's ROC.

(n) "ROC Accrued PBRSRs" means, for each ROC Performance Period, the ROC Accrual Percentage for each ROC Performance Period times one-third of the ROC PBRSR Award.

(o) "ROC PBRSR Award" means fifty percent (50%) of the number of PBRSRs awarded as specified in the Notification.

(p) "ROC Performance Period" means the First ROC Performance Period, the Second ROC Performance Period, or the Third ROC Performance Period, as applicable.

(q) "Rolling Total Shareholder Return" means, for each of the ten (10) consecutive trading days immediately preceding the first day of the applicable TSR Performance Period, the percentage change from (i) the closing stock price on such trading date to (ii) the closing stock price on the corresponding trading date in the last ten (10) consecutive trading days of the applicable TSR Performance Period, assuming reinvestment of dividends on the ex-dividend date.

(r) "Second ROC Performance Period" means the period from January 1, 2014 through December 31, 2014.

(s) "Second TSR Performance Period" means the period from January 1, 2013 through December 31, 2014.

(t) "Third ROC Performance Period" means the period from January 1, 2015 through December 31, 2015.

(u) "Third TSR Performance Period" means the period from January 1, 2013 through December 31, 2015.

(v) "Three-Year Performance Period" means the period from January 1, 2013 through December 31, 2015.

(w) "Total Shareholder Return" means, for each TSR Performance Period, the sum of the ten (10) Rolling Total Shareholder Return calculations for the applicable TSR Performance Period, divided by ten (10).

(x) "TSR Accrual Percentage" means the percentage of the PBRSRs that accrues at the end of each TSR Performance Period pursuant to Section 2 based on the Company's TSR Percentile.

(y) "TSR Accrued PBRSRs" means, for each TSR Performance Period, the TSR Accrual Percentage for each TSR Performance Period times one-third of the TSR PBRSR Award.

(z) "TSR PBRSR Award" means fifty percent (50%) of the number of PBRSRs awarded as specified in the Notification.

(aa) "TSR Performance Period" means the First TSR Performance Period, the Second TSR Performance Period, or the Third TSR Performance Period, as applicable.

13. ***Other Benefits*** **.** No amount accrued or paid under the PBRSRs shall be deemed compensation for purposes of computing a Participant's benefits under any retirement plan of the Company or its Subsidiaries, nor affect any benefits under any other benefit plan now or subsequently in effect under which the availability or amount of benefits is related to the Participant's level of compensation.

Exhibit A

ARKANSAS BEST CORP
AVIS BUDGET GROUP INC
C. H. ROBINSON WORLDWIDE INC
CELADON GROUP INC
CON-WAY INC
CSX CORPORATION
EXPEDITORS INTERNATIONAL OF WASHINGTON, INC
FEDEX CORPORATION
FORWARD AIR CORP
GATX CORPORATION
HEARTLAND EXPRESS INC
HERTZ GLOBAL HOLDINGS INC
HUB GROUP INC
J.B. HUNT TRANSPORT SERVICES INC
KNIGHT TRANSPORTATION INC
LANDSTAR SYSTEM INC
OLD DOMINION FREIGHT LINE INC.
PACER INTERNATIONAL INC
PHH CORP
SAIA INC
SWIFT TRANSPORTATION CO
TAL INTERNATIONAL GROUP INC
TRINITY INDUSTRIES
UNITED PARCEL SERVICE INC
UNIVERSAL TRUCKLOAD SERVICES INC
UTI WORLDWIDE INC
WERNER ENTERPRISES INC