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

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**FORM 8-K**

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**CURRENT REPORT  
Pursuant to Section 13 or 15(d)  
of The Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): July 29, 2013**

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**TransDigm Group Incorporated**  
(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-32833**  
(Commission  
File Number)

**41-2101738**  
(IRS Employer  
Identification No.)

**1301 East 9<sup>th</sup> Street, Suite 3000, Cleveland, Ohio**  
(Address of principal executive offices)

**44114**  
(Zip Code)

**(216) 706-2960**  
(Registrant's telephone number, including area code)

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

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements for Certain Officers.**

On July 29, 2013, the Compensation Committee (the “Committee”) of the Company’s Board of Directors approved a number of amendments to certain performance vested option agreements (the “Option Agreements”) granted to certain employees, including executive officers pursuant to the Company’s 2008 Stock Option Program under the 2006 Stock Option Plan, as amended (the “Plan”), which are described below:

- An amendment to Option Agreements under the Plan with respect to options granted in 2012 and 2013, including options granted to each of the executive officers, to adjust the operational performance per diluted share (“AOP”) targets to take into account the effects of the extraordinary dividend of \$22.00 paid by the Company to its stockholders on July 25, 2013 (the “Dividend”).
- An amendment to Option Agreements under the Plan with respect to options granted in 2012, including options granted to Messrs. Peter Palmer, James Skulina and John Leary, to modify the market based “sweep” to take into account the effects of the Dividend.
- An amendment to Option Agreements under the Plan with respect to options granted in 2013, including options granted to Messrs. Howley, Laubenthal, Rufus, Iversen, Henderson and Leary, to modify the market price for the alternate vesting provisions if the options do not otherwise vest in accordance with their terms.

The foregoing descriptions of the terms of these amendments are qualified in their entirety by the full text of the amendments, copies of which are attached hereto as Exhibit 10.1.

Also on July 29, 2013, the Committee approved the Third Amended and Restated TransDigm Group Incorporated 2006 Stock Incentive Plan Dividend Equivalent Plan. The plan was amended and restated to clarify the date on which a holder of options becomes entitled to a dividend equivalent payment and to avoid the potential of payment of both a dividend equivalent payment and a dividend payment on the same option or share in the event the option was exercised. A copy of the foregoing plan is attached to this Report as Exhibit 10.2.

On August 1, 2013, the Board of Directors of the Company approved the Fourth Amended and Restated TransDigm Group Incorporated 2003 Stock Option Plan Dividend Equivalent Plan. The plan amendments conform to those made in connection with the Third Amended and Restated TransDigm Group Incorporated 2006 Stock Incentive Plan Dividend Equivalent Plan described in the preceding paragraph and apply to options granted under TD Group’s Fourth Amended and Restated 2003 Stock Option Plan, as amended. A copy of the foregoing plan is attached to this Report as Exhibit 10.3.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

The following exhibit is being filed with this Current Report on Form 8-K:

Exhibit 10.1	Text of Option Amendments
Exhibit 10.2	Third Amended and Restated TransDigm Group Incorporated 2006 Stock Incentive Plan Dividend Equivalent Plan
Exhibit 10.3	Fourth Amended and Restated TransDigm Group Incorporated 2003 Stock Option Plan Dividend Equivalent Plan

**SIGNATURES**

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

TRANSDIGM GROUP INCORPORATED

By /s/ Gregory Rufus

Gregory Rufus

Executive Vice President, Chief Financial Officer and  
Secretary

Date: August 2, 2013

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**Exhibit Index**

Exhibit 10.1	Text of Option Amendments
Exhibit 10.2	Third Amended and Restated TransDigm Group Incorporated 2006 Stock Incentive Plan Dividend Equivalent Plan
Exhibit 10.3	Fourth Amended and Restated TransDigm Group Incorporated 2003 Stock Option Plan Dividend Equivalent Plan

**RESOLUTIONS IN CONNECTION WITH \$22.00 DIVIDEND**Adjustment of AOP Targets in Outstanding Option Awards

WHEREAS, the Company declared in July 2013 an extraordinary dividend of \$22.00 to stockholders (the "Dividend");

WHEREAS, the outstanding stock option agreements under the Plan contemplate that the AOP targets may be adjusted based on specified events, including an extraordinary dividend, in order to prevent dilution of the benefits intended to be provided to participants under the Plan;

WHEREAS, the Committee has determined that the AOP targets in the outstanding stock option agreements should be adjusted to take into account the effects of the Dividend;

NOW, THEREFORE, be it

Five Year 2012 Options

RESOLVED, that by virtue of the authority vested in the Committee pursuant to each of the outstanding stock option agreements granted in fiscal 2012 with vesting over five years and in effect as of the date hereof under the Plan (the "Five Year 2012 Outstanding Option Agreements"), the Committee hereby amends the table in Exhibit B to all of such Five Year 2012 Outstanding Option Agreements by deleting the existing table and substituting therefor the following:

Annual Operational Performance per Diluted Share

<u>Fiscal Year (A)</u>	<u>Minimum Vesting (10% Growth)</u>		<u>Maximum Vesting (17.5% Growth)</u>	
	<u>% of Shares Vesting (B)</u>	<u>YE Operating Performance (per Diluted Share) (C)</u>	<u>% of Shares Vesting (D)</u>	<u>YE Operating Performance (per Diluted Share) (E)</u>
2013	5%	\$ 41.06	20%	\$ 51.16
2014	5%	\$ 45.17	20%	\$ 60.12
2015	5%	\$ 49.69	20%	\$ 70.64
2016	5%	\$ 54.65	20%	\$ 83.00

Five Year 2013 Options

RESOLVED, that by virtue of the authority vested in the Committee pursuant to each of the outstanding stock option agreements granted in fiscal 2013 with vesting over five years and in effect as of the date hereof under the Plan (the "Five Year 2013 Outstanding Option Agreements"), the Committee hereby amends the table in Exhibit B to all of such Five Year 2013 Outstanding Option Agreements by deleting the existing table and substituting therefor the following:

Annual Operational Performance per Diluted Share

<u>Fiscal Year (A)</u>	<u>Minimum Vesting (10% Growth)</u>		<u>Maximum Vesting (17.5% Growth)</u>	
	<u>% of Shares Vesting (B)</u>	<u>YE Operating Performance (per Diluted Share) (C)</u>	<u>% of Shares Vesting (D)</u>	<u>YE Operating Performance (per Diluted Share) (E)</u>
2013	5%	\$ 69.65	20%	\$ 75.75
2014	5%	\$ 76.61	20%	\$ 89.00
2015	5%	\$ 84.27	20%	\$ 104.58
2016	5%	\$ 92.70	20%	\$ 122.88
2017	5%	\$ 101.97	20%	\$ 144.39

Extension Options

RESOLVED, that by virtue of the authority vested in the Committee pursuant to each of the outstanding stock option agreements with vesting over 2015-16 and in effect as of the date hereof under the Plan (the “2015-16 Extension Outstanding Option Agreements”), the Committee hereby amends the table in Exhibit B to all of such Extension Outstanding Option Agreements by deleting the existing table and substituting therefor the following:

Annual Operational Performance per Diluted Share

Fiscal Year (A)	Minimum Vesting (10% Growth)		Maximum Vesting (17.5% Growth)	
	% of Shares Vesting (B)	YE Operating Performance (per Diluted Share) (C)	% of Shares Vesting (D)	YE Operating Performance (per Diluted Share) (E)
2015	12.5%	\$ 49.69	50%	\$ 70.64
2016	12.5%	\$ 54.65	50%	\$ 83.00

RESOLVED FURTHER, that by virtue of the authority vested in the Committee pursuant to each of the outstanding stock option agreements with vesting over 2016-17 and in effect as of the date hereof under the Plan (the “2016-17 Extension Outstanding Option Agreements”), the Committee hereby amends the table in Exhibit B to all of such Extension Outstanding Option Agreements by deleting the existing table and substituting therefor the following:

Annual Operational Performance per Diluted Share

Fiscal Year (A)	Minimum Vesting (10% Growth)		Maximum Vesting (17.5% Growth)	
	% of Shares Vesting (B)	YE Operating Performance (per Diluted Share) (C)	% of Shares Vesting (D)	YE Operating Performance (per Diluted Share) (E)
2016	12.5%	\$ 92.70	50%	\$ 122.88
2017	12.5%	\$ 101.97	50%	\$ 144.39



Carry-Forwards and Carry Backs

RESOLVED, for each 2015-16 Extension Outstanding Option Agreement, the Committee hereby amends paragraph 1.Y of Exhibit B of all such 2015-16 Extension Outstanding Option Agreements by deleting the text thereof and replacing it as follows:

“Y. In calculating the AOP in Section X. above for any performance year there shall also be taken into account any AOP in any of the two prior performance years (starting in fiscal year 2013) which was in excess of the amount indicated in Column (E) or set forth in the following sentence for such prior year and has not previously been taken into account hereunder or under any other option agreement to which the Participant is a party but only if doing so would increase the Annual Amount in such performance year. For purposes of determining whether AOP has been exceeded and the amount of any excess, the YE Operating Performance per Diluted Share applicable to 2013 shall be \$51.16 and to 2014 shall be \$60.12.”

RESOLVED, for each 2016-17 Extension Outstanding Option Agreement, the Committee hereby amends paragraph 1.Y of Exhibit B of all such 2016-17 Extension Outstanding Option Agreements by deleting the text thereof and replacing it as follows:

“Y. In calculating the AOP in Section X. above for any performance year there shall also be taken into account any AOP in any of the two prior performance years (starting in fiscal year 2014) which was in excess of the amount indicated in Column (E) or set forth in the following sentence for such prior year and has not previously been taken into account hereunder or under any other option agreement to which the Participant is a party but only if doing so would increase the Annual Amount in such performance year. For purposes of determining whether AOP has been exceeded and the amount of any excess, the YE Operating Performance per Diluted Share applicable to 2014 shall be \$89.00 and to 2015 shall be \$104.58.”

RESOLVED FURTHER, that such changes will be made, for the benefit of the holders under each 2015-16 Extension Outstanding Option Agreement and 2016-17 Extension Outstanding Option Agreement as applicable, without further action on the part of the Company or the participant.

**Adjustment of “Market Sweep” and Alternate Vesting Provisions in  
Outstanding Option Awards**

WHEREAS, in light of the Dividend and the corresponding reduction in market price associated therewith and the return realized to the stockholders, in order to prevent dilution of benefits to the participants, the Committee deems it to be appropriate to amend the market sweep and alternate vesting provisions of the outstanding option agreements to take into account the Dividend.

NOW, THEREFORE, be it

RESOLVED, that by virtue of the authority vested in the Committee pursuant to each of the Five-Year 2012 Option Agreements and 2015-16 Extension Outstanding Option Agreements, the Committee hereby amends the second paragraph of Section 3.1(c) by deleting it in its entirety and substituting therefor the following:

“Notwithstanding Section 3.1(a) of this Agreement and Section 8 of the Plan (but subject to Section 3.1(b) of this Agreement, after the second anniversary of the date of grant, in the event the closing price of the Company’s common stock on the New York Stock Exchange exceeds \$135.15 per share less the amount of any dividends per share paid after July 29, 2013 on any 60 trading days during any consecutive 12-month period, then all Options granted hereunder will become fully vested and exercisable.”

RESOLVED FURTHER, that by virtue of the authority vested in the Committee pursuant to each of the Five-Year 2013 Option Agreements and 2016-17 Extension Outstanding Option Agreements, the Committee hereby amends the second paragraph of Section 3.1(c) by deleting it in its entirety and substituting therefor the following:

“Notwithstanding Section 3.1(a) of this Agreement and Section 8 of the Plan (but subject to Section 3.1(b) of this Agreement) and

notwithstanding Exhibit B to this Agreement, with respect to any portion of the Options that have not otherwise vested prior to the applicable date set forth below: (a) in the event that prior to September 30, 2016, the closing price of the Company's common stock on the New York Stock Exchange exceeded an amount equal to two times the Exercise Price of the Options less the amount of any dividend per share after the grant date (the "Target Price") on any 60 trading days during any consecutive 12-month period commencing October 1, 2014, then all of the unvested Options will vest 50% on September 30, 2016 and 50% on September 30, 2017, and (b) in the event that the condition in clause (a) is not met but, prior to September 30, 2017, the closing price of the Company's common stock on the New York Stock Exchange exceeds the Target Price on any 60 trading days during any consecutive 12-month period commencing October 1, 2015, the remaining portion of the unvested Options will vest on September 30, 2017."

**THIRD AMENDED AND RESTATED  
TRANSDIGM GROUP INCORPORATED  
2006 STOCK INCENTIVE PLAN DIVIDEND EQUIVALENT PLAN**

**Section 1. PURPOSE**

The purpose of this Plan is to provide certain participants in the Company's 2006 Stock Incentive Plan with the right to receive dividend equivalent payments in the event that a dividend is declared by the Company in connection with a recapitalization or a similar corporate event.

**Section 2. DEFINITIONS**

- (a) "Affiliate" means any parent corporation or subsidiary corporation of the Company, whether now or hereafter existing, as those terms are defined in Section 424(e) and (f), respectively, of the Code.
- (b) "Board" means the Board of Directors of the Company.
- (c) "Code" means the Internal Revenue Code of 1986, as amended.
- (d) "Committee" means the Compensation Committee of the Board.
- (e) "Company" means TransDigm Group Incorporated, a Delaware corporation.
- (f) "Corporate Transaction" means a transaction that qualifies as a "corporate transaction" for purposes of Treasury Regulation Section 1.409A-1(b)(5)(v) (D).
- (g) "Option" means an option to purchase common stock of the Company under the 2006 Stock Incentive Plan.
- (h) "Participant" means a person or entity to whom an Option is granted pursuant to the 2006 Stock Incentive Plan or, if applicable, such other person or entity who holds an outstanding Option.
- (i) "Plan" means the TransDigm Group Incorporated Dividend Equivalent Plan, as the same may be amended from time to time.
- (j) "2006 Stock Incentive Plan" means the TransDigm Group Incorporated 2006 Stock Incentive Plan, as the same may be amended from time to time.

**Section 3. ADMINISTRATION**

- (a) General. The Plan shall be administered by the Committee.
- (b) Powers of the Committee. Subject to the provisions of the Plan, the Committee shall have sole authority, in its absolute discretion: (i) to construe and interpret the Plan, and to establish, amend and revoke rules and regulations for its administration; (ii) to amend the Plan as provided in Section 5(a); and (iii) to exercise such powers and to perform such acts as the Committee deems necessary or expedient to promote the best interests of the Company which are not in conflict with the provisions of the Plan. Notwithstanding any other provision of the Plan, any action required or permitted to be taken by the Committee may be taken by the Board.
- (c) Committee Determinations. All determinations, interpretations and constructions made by the Committee in good faith shall not be subject to review by any person or entity and shall be final, binding and conclusive on all persons and entities.

**Section 4. PAYMENT OF DIVIDEND EQUIVALENT**

- (a) Dividend Equivalents. In the event that the Company declares a dividend on common stock of the Company, Participants shall be eligible to receive a cash dividend equivalent payment or a reduction of the exercise price of unvested Options as follows:
- (i) Vested Options. Participants who hold vested Options on the record date with respect to any such dividend shall be eligible to receive a cash dividend equivalent payment equal to the amount that such Participant would otherwise have been entitled to receive had his or her vested Option been fully exercised

immediately prior to such record date. The cash dividend equivalent payment shall be paid to Participants eligible for such payments under this Section 4(a)(i) no later than the later of (A) December 31 of the year in which the dividend is declared or (B) two and one-half (2 1/2) months following end of the calendar month in which the dividend is declared by the Company dividend is declared by the Company in accordance with this Section 4(a).

(ii) Unvested Options.

(1) In the event that the Company declares such dividend other than in a Corporate Transaction, Participants who hold unvested Options on the record date with respect to such dividend shall be eligible to receive a cash dividend equivalent payment equal to the amount that such Participant would otherwise have been entitled to receive had his or her unvested Option been fully vested and exercised immediately prior to such record date; provided that such cash dividend equivalent amount shall not be paid to any such Participant until the date such Option vests pursuant to the terms set forth in such Participant's applicable Option agreement and no later than two and one-half (2 1/2) months following the calendar year in which the Option vests.

(2) In the event that the Company declares such dividend in a Corporate Transaction, then, except as provided in the last sentence of this Section 4(a)(ii)(2), the Company shall pursuant to such Corporate Transaction replace or assume any outstanding unvested Options with new options, the exercise price of which shall be reduced from the original Option by the amount of such dividend per share (but not below \$0); provided that the ratio of the exercise price of the new option to the fair market value of such new option immediately after the substitution or assumption is not greater than the ratio of the exercise price of the unvested Option to the fair market value of the unvested Option immediately before such substitution or assumption. Unless otherwise determined by the Committee, in the event the exercise price of any new option is reduced pursuant to this Section 4(a)(ii)(2), the Participant shall not receive any cash dividend equivalent payment with respect to any dividend paid in connection with such Corporate Transaction. Notwithstanding the foregoing, if the Committee determines that so reducing the exercise price is prohibited by law, regulation, NYSE rule or the 2006 Stock Incentive Plan or creates a material adverse consequence for the Company, or if for any other reason the exercise price is not so reduced, then the Participants shall receive a dividend equivalent payment in accordance with Section 4(a)(ii)(1).

(iii) In no event shall a cash dividend equivalent payment be tied to or otherwise dependent upon the exercise of an Option.

(b) Taxes. Dividend equivalent payments made in accordance with subsection (a) shall be subject to withholding of all applicable taxes.

(c) Section 409A. The dividend equivalent payments made in accordance with subsection (a) are not intended to constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Code. Notwithstanding any provision of the Plan to the contrary, in the event that the Committee determines that any dividend equivalent payments may be subject to Section 409A of the Code, the Committee may adopt such amendments to the Plan or take any other actions that the Committee determines are necessary or appropriate to (i) exempt such dividend equivalent payment from Section 409A of the Code or (ii) comply with the requirements of Section 409A of the Code and thereby avoid the application of penalty taxes thereunder. To the extent that any dividend equivalent payments are deemed to be subject to Section 409A of the Code, the Plan will be interpreted to comply with Section 409A of the Code and the Department of Treasury Regulations and other interpretive guidance issued thereunder.

**Section 5. MISCELLANEOUS**

(a) Amendment of Plan. The Committee at any time, and from time to time, may amend the Plan.

(b) Termination or Suspension of the Plan. The Committee may suspend or terminate the Plan at any time. Unless sooner terminated, the Plan shall terminate on the first business day following the later to occur of (i) the date on which the 2006 Stock Incentive Plan is terminated, or (ii) the date on which no Options are outstanding under the 2006 Stock Incentive Plan.

(c) Effective Date of the Plan. The Plan shall be effective as of October 1, 2008. This Third Amended and Restated Plan shall be effective as of July , 2013.

(d) Governing Law. The Plan shall be governed by and construed in accordance with the internal laws of the State of Delaware without reference to the principles of conflicts of laws thereof.

(e) Reliance on Reports. Each member of the Committee and each member of the Board shall be fully justified in relying, acting or failing to act, and shall not be liable for having so relied, acted or failed to act in good faith, upon any report made by the independent public accountant of the Company and its Affiliates and upon any other information furnished in connection with the Plan by any person or persons other than himself.

(f) Titles and Headings. The titles and headings of the sections in the Plan are for convenience of reference only, and in the event of any conflict, the text of the Plan, rather than such titles or headings shall control.

**FOURTH AMENDED AND RESTATED  
TRANSDIGM GROUP INCORPORATED  
2003 STOCK OPTION PLAN DIVIDEND EQUIVALENT PLAN**

**Section 1. PURPOSE.**

The purpose of this Plan is to provide certain participants in the Company's Fourth Amended and Restated 2003 Stock Option Plan, as amended, with the right to receive dividend equivalent payments in the event that a dividend is declared by the Company.

**Section 2. DEFINITIONS.**

(a) "Affiliate" means any parent corporation or subsidiary corporation of the Company, whether now or hereafter existing, as those terms are defined in Sections 424(e) and (f), respectively, of the Code.

(b) "Board" means the Board of Directors of the Company.

(c) "Code" means the Internal Revenue Code of 1986, as amended.

(d) "Committee" means the Compensation Committee of the Board.

(e) "Company" means TransDigm Group Incorporated, a Delaware corporation.

(f) "Corporate Transaction" means a transaction that qualifies as a "corporate transaction" for purposes of Treasury Regulation Section 1.409A-1(b)(5)(v)(D).

(g) "Option" means an option to purchase common stock of the Company under the 2003 Stock Option Plan.

(h) "Participant" means a person or entity to whom an Option is granted pursuant to the 2003 Stock Option Plan or, if applicable, such other person or entity who holds an outstanding Option.

(i) "Plan" means the TransDigm Group Incorporated 2003 Stock Option Plan Dividend Equivalent Plan, as the same may be amended from time to time.

(j) "2003 Stock Option Plan" means the TransDigm Group Incorporated Fourth Amended and Restated 2003 Stock Option Plan, as amended, as the same may be amended from time to time.

**Section 3. ADMINISTRATION.**

(a) General. The Plan shall be administered by the Committee.

(b) Powers of the Committee. Subject to the provisions of the Plan, the Committee shall have sole authority, in its absolute discretion: (i) to construe and interpret the Plan, and to establish, amend and revoke rules and regulations for its administration; (ii) to amend the Plan as provided in Section 5(a); and (iii) to exercise such powers and to perform such acts as the Committee deems necessary or expedient to promote the best interests of the Company which are not in conflict with the provisions of the Plan.

(c) Committee Determinations. All determinations, interpretations and constructions made by the Committee in good faith shall not be subject to review by any person or entity and shall be final, binding and conclusive on all persons and entities.

**Section 4. PAYMENT OF DIVIDEND EQUIVALENT.**

(a) Dividend Equivalents. In the event that the Company declares a dividend on common stock of the Company, Participants shall be eligible to receive a cash dividend equivalent payment or a reduction of the exercise price of unvested Options as follows:

(i) Vested Options. Participants who hold vested Options on the record date with respect to any such dividend shall be eligible to receive a cash dividend equivalent payment equal to the amount that such Participant would otherwise have been entitled to receive had his or her vested Option been fully exercised

immediately prior to such record date. The cash dividend equivalent payment shall be paid to Participants eligible for such payments under this Section 4(a)(i) no later than the later of (A) December 31 of the year in which the record date occurs or (B) two and one-half (2 1/2) months following end of the calendar month in which the record date occurs.

(ii) Unvested Options.

(1) In the event that the Company declares such dividend other than in a Corporate Transaction, Participants who hold unvested Options on the record date with respect to such dividend shall be eligible to receive a cash dividend equivalent payment equal to the amount that such Participant would otherwise have been entitled to receive had his or her unvested Option been fully vested and exercised immediately prior to such record date; provided that such cash dividend equivalent amount shall not be paid to any such Participant until the date such Option vests pursuant to the terms set forth in such Participant's applicable Option agreement and no later than two and one-half (2 1/2) months following the calendar year in which the Option vests.

(2) In the event that the Company declares such dividend in a Corporate Transaction, then, except as provided in the last sentence of this Section 4(a)(ii)(2), the Company shall pursuant to such Corporate Transaction replace or assume any outstanding unvested Options with new options, the exercise price of which shall be reduced from the original Option by the amount of such dividend per share (but not below \$0); provided that the ratio of the exercise price of the new option to the fair market value of such new option immediately after the substitution or assumption is not greater than the ratio of the exercise price of the unvested Option to the fair market value of the unvested Option immediately before such substitution or assumption. Unless otherwise determined by the Committee, in the event the exercise price of any new option is reduced pursuant to this Section 4(a)(ii)(2), the Participant shall not receive any cash dividend equivalent payment with respect to any dividend paid in connection with such Corporate Transaction. Notwithstanding the foregoing, if the Committee determines that so reducing the exercise price is prohibited by law, regulation, NYSE rule or the 2003 Stock Option Plan or creates a material adverse consequence for the Company, or if for any other reason the exercise price is not so reduced, then the Participants shall receive a dividend equivalent payment in accordance with Section 4(a)(ii)(1).

(iii) In no event shall a cash dividend equivalent payment be tied to or otherwise dependent upon the exercise of an Option.

(b) Taxes. Dividend equivalent payments made in accordance with subsection (a) above shall be subject to withholding of all applicable taxes.

(c) Section 409A. The dividend equivalent payments made in accordance with subsection (a) are not intended to constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Code. Notwithstanding any provision of the Plan to the contrary, in the event that the Committee determines that any dividend equivalent payments may be subject to Section 409A of the Code, the Committee may adopt such amendments to the Plan or take any other actions that the Committee determines are necessary or appropriate to (i) exempt such dividend equivalent payment from Section 409A of the Code or (ii) comply with the requirements of Section 409A of the Code and thereby avoid the application of penalty taxes thereunder. To the extent that any dividend equivalent payments are deemed to be subject to Section 409A of the Code, the Plan will be interpreted to comply with Section 409A of the Code and the Department of Treasury Regulations and other interpretive guidance issued thereunder.

**Section 5. MISCELLANEOUS**

(a) Amendment of Plan. The Board at any time, and from time to time, may amend the Plan.

(b) Termination or Suspension of the Plan. The Board may suspend or terminate the Plan at any time. Unless sooner terminated, the Plan shall terminate on the first business day following the later to occur of (i) the date on which the 2003 Stock Option Plan is terminated, or (ii) the date on which no Options are outstanding under the 2003 Stock Option Plan.



(c) Effective Date of the Plan. The Plan shall be effective as of December 10, 2005, as amended and restated effective December 15, 2005. This Fourth Amended and Restated Plan shall be effective as of July \_\_, 2013.

(d) Governing Law. The Plan shall be governed by and construed in accordance with the internal laws of the State of Delaware without reference to the principles of conflicts of laws thereof.

(e) Reliance on Reports. Each member of the Committee and each member of the Board shall be fully justified in relying, acting or failing to act, and shall not be liable for having so relied, acted or failed to act in good faith, upon any report made by the independent public accountant of the Company and its Affiliates and upon any other information furnished in connection with the Plan by any person or persons other than himself.

(f) Titles and Headings. The titles and headings of the sections in the Plan are for convenience of reference only, and in the event of any conflict, the text of the Plan, rather than such titles or headings shall control.

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