

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): May 16, 2012

**AMERICAN FINANCIAL GROUP, INC.**

(Exact name of registrant as specified in its charter)

**Ohio**

(State or other jurisdiction  
of incorporation)

**1-13653**

(Commission File Number)

**31-1544320**

(IRS Employer  
Identification No.)

**301 East Fourth Street, Cincinnati, OH**

(Address of principal executive offices)

**45202**

(Zip Code)

Registrant's telephone number, including area code: **(513) 579-2121**

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

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 5.07 Submission of Matters to a Vote of Security Holders.**

American Financial Group, Inc. convened its annual meeting of shareholders on May 16, 2012. The voting results on the proposals considered at the annual meeting are set forth below:

1. Elect ten directors.

	For	Withheld	Broker Non-Votes
Carl H. Lindner III	84,719,556	2,131,201	4,602,355
S. Craig Lindner	84,718,290	2,132,467	4,602,355
Kenneth C. Ambrecht	83,830,907	3,019,850	4,602,355
John B. Berding	73,278,904	13,571,853	4,602,355
Theodore H. Emmerich	85,603,931	1,246,826	4,602,355
James E. Evans	82,284,424	4,566,333	4,602,355
Terry S. Jacobs	84,750,435	2,100,322	4,602,355
Gregory G. Joseph	85,269,846	1,580,911	4,602,355
William W. Verity	74,947,568	11,903,189	4,602,355
John I. Von Lehman	85,267,103	1,583,654	4,602,355

2. Ratify the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for fiscal year 2012.

For	Against	Abstain
90,618,138	798,632	36,342

3. Amend the 2011 Equity Bonus Plan.

For	Against	Abstain	Broker Non-Votes
63,188,402	23,126,630	535,725	4,602,355

The 2011 Equity Bonus Plan, as amended, is filed as Exhibit 10.1 to this Current Report on Form 8-K.

4. Amend the 2005 Stock Incentive Plan.

For	Against	Abstain	Broker Non-Votes
52,685,037	33,624,637	541,083	4,602,355

The 2005 Stock Incentive Plan, as amended, is filed as Exhibit 10.2 to this Current Report on Form 8-K.

5. Amend and restate the Non-Employee Directors Compensation Plan.

For	Against	Abstain	Broker Non-Votes
62,070,137	24,223,031	557,589	4,602,355

The Amended and Restated Non-Employee Directors Compensation Plan is filed as Exhibit 10.3 to this Current Report on Form 8-K.

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6. Approve, on an advisory basis, compensation of our named executive officers.

For	Against	Abstain	Broker Non-Votes
84,121,425	2,496,849	232,483	4,602,355

7. Shareholder proposal to adopt a sexual orientation non-discrimination policy.

For	Against	Abstain	Broker Non-Votes
26,120,531	58,241,598	2,488,628	4,602,355

8. Shareholder proposal to adopt majority voting.

For	Against	Abstain	Broker Non-Votes
46,849,969	39,924,700	76,088	4,602,355

**Item 9.01 Financial Statements and Exhibits.**

**(d) Exhibits.**

10.1	2011 Equity Bonus Plan, as amended
10.2	2005 Stock Incentive Plan, as amended
10.3	Amended and Restated Non-Employee Directors Compensation Plan

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**SIGNATURES**

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

**AMERICAN FINANCIAL GROUP, INC.**

Date: May 17, 2012

By: /s/ Karl J. Grafe

Karl J. Grafe

Vice President



**2011 EQUITY BONUS PLAN**

**ADOPTED ON MARCH 15, 2011**

**AS AMENDED ON FEBRUARY 23, 2012**

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1. **PURPOSE**

The purpose of the 2011 Equity Bonus Plan (the “Plan”) is to further the profitability of American Financial Group, Inc. (the “Company”) to the benefit of the shareholders of the Company by promoting extraordinary levels of corporate performance and by incentivizing senior executive officers of the Company through the potential for performance-based equity compensation as a component of a Plan Participant’s compensation.

2. **DEFINITIONS**

When used in the Plan, the following terms have the following meanings.

2.1. “Award” means an award made pursuant to the Plan.

2.2. “Award Agreement” means the agreement entered into between the Company and a Participant, setting forth the terms and conditions applicable to an Award granted to the Participant.

2.3. “Board” means the Board of Directors of the Company.

2.4. “Bonus Amount” means the amount that may become payable under an Award as a result of the satisfaction of Performance Objectives for a Performance Period.

2.5. “Change of Control” means a change in ownership or effective control of the Company as defined in Section 1.409A-3 of the Treasury Regulations to Section 409A of the Code that also meets one of the following:

(a) there occurs an event or series of events by which Lindner Family Members (as defined below) collectively cease to be the “beneficial owner,” as defined in Rule 13d-3 under the Exchange Act of at least 15% of the Shares; or

(b) during any period of one year after January 1, 2011, individuals who at the beginning of such period constitute the Board and any new director whose election by the Board or nomination for election by the Company’s shareholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof.

For purposes of the Plan, “Lindner Family Member” means Carl H. Lindner (deceased), his surviving spouse and all lineal descendants and their spouses, as well as trusts established for the benefit of such person.

2.6. “Code” means the Internal Revenue Code of 1986, as amended.

2.7. “Committee” means the committee appointed by the Board as described under Section 3.

2.8. “Performance Objectives” means the objective targets selected by the Committee to measure performance, the outcome of which is substantially uncertain at the time selected, for a Performance Period which shall be based upon one or more of the following performance-based business criteria, either on a Company, subsidiary, division, business unit or line of business basis or in comparison with peer group performance or to an index, as the Committee deems appropriate: net income or operating income; net income per share or operating income per share; aggregate or per-share book value or adjusted book value; written premiums (net or gross); return measures (including, but not limited to, return on assets, capital, invested capital, equity, sales, or premiums); cash flow (including, but not limited to, operating cash flow, free cash flow, and cash flow return on capital); combined ratios; share price (including, but not limited to, growth measures and total shareholder return); and increase in or maintenance of the Company’s market share. In the discretion of the Committee at the time of the grant of an Award and as set forth in an Award Agreement, any Performance Objective may be calculated after accounting for specified adjustments.

2.9. “Performance Period” means a period of at least one and at most five fiscal years of the Company as determined by the Committee at the time of the grant of an Award. Upon the grant of an Award, the Performance Period shall be fixed and may not subsequently be changed. Performance Periods may overlap.

2.10. “Shares” means shares of common stock of the Company.

2.11. “Subsidiary” means a subsidiary of the Company within the meaning of Code Section 424(f).

### 3. **ADMINISTRATION**

Awards under the Plan are intended to be performance-based compensation for purposes of Section 162(m)(4)(C) of the Code. Except as otherwise expressly provided in this Plan, the Plan shall be administered by the Compensation Committee or a successor committee or subcommittee (the “Committee”) of the Board comprised solely of two or more “outside directors” as defined pursuant to Section 162(m) of the Code. Subject to the provisions of the Plan, the Committee shall determine the Performance Period and Performance Objectives applicable to Awards and all other terms and conditions of Awards. Subject to the provisions of the Plan, the Committee shall have the authority to interpret the Plan and establish, adopt or revise such rules and regulations and to make all determinations relating to the Plan as it may deem necessary or advisable for the administration of the Plan. The Committee’s interpretation of the Plan and all of its actions and decisions with respect to the Plan shall be final, binding and conclusive on all parties.

### 4. **PARTICIPATION**

The participants in the Plan are the Co-Chief Executive Officers of the Company and such other members of senior management of the Company and its Subsidiaries as determined by the Committee (the “Participants”).

**5. SHARES SUBJECT TO PLAN; MAXIMUM AWARDS**

The number of Shares which may be issued under this Plan shall not exceed One Million Five Hundred Thousand (1,500,000) Shares. Shares issued under the Plan shall be authorized but unissued Shares. If there shall occur any change with respect to the outstanding Shares by reason of any recapitalization, reclassification, stock dividend, extraordinary dividend, stock split, reverse stock split or other distribution with respect to the Shares, or any merger, reorganization, consolidation, combination, spin-off or other similar corporate change, or any other change affecting the common stock of the Company, the Committee may, in the manner and to the extent that it deems appropriate and equitable to the Participants and consistent with the terms of the Plan, cause an adjustment to be made in the maximum number and kind of Shares provided in this Section 5. The maximum amount which may be awarded to any Participant for any Performance Period shall be \$6,000,000.

**6. ESTABLISHMENT OF PERFORMANCE OBJECTIVES AND BONUS AMOUNTS**

The Committee shall establish objectively determinable Performance Objectives and Bonus Amounts that shall become payable upon the achievement of such Performance Objectives and the applicable Performance Period annually. The Performance Objectives, Bonus Amount and Performance Period shall be set forth in an Award Agreement approved by the Committee. In no event shall the establishment of any Participant's Bonus Amount give a Participant any right to be paid all or any part of such amount unless and until a bonus is actually awarded pursuant to Section 7.

**7. DETERMINATION OF BONUSES AND TIME OF PAYMENT**

7.1. As soon as practicable after the end of each Performance Period, the Committee shall determine whether or not the Performance Objectives of each Participant have been attained and shall certify to such attainment in writing. The Committee shall determine the Bonus Amount, if any, to be awarded to each Participant for such Performance Period according to the terms of this Plan. Such Bonus Amount determinations shall be based on achievement of the Performance Objectives for such Performance Period.

7.2. Except as otherwise provided in Section 8.2, once the Bonus Amount is determined for each Participant pursuant to Section 7, it shall be paid in Shares. The payment, if any, shall take place between March 15 and March 31 following any Performance Period. The Participant must continue to be employed through the last day of the Performance Period to be eligible for the Bonus Amount. For the purpose of determining the number of Shares to be awarded under this Plan, the value of a Share shall be calculated by taking the average high and low sale prices of a Share on the date of determination of the Bonus Amount as provided in Section 7.

**8. TERMINATION OF EMPLOYMENT; CHANGE OF CONTROL**

8.1. Notwithstanding the requirement to be employed on the last day of the Performance Period in order to be eligible for payment of the Bonus Amount described in Section 7.2, if a Participant's employment with the Company is terminated during a Performance Period



for which Performance Objectives have been attained for any reason other than discharge for “cause,” the Committee, in its sole discretion, may determine that the Participant is entitled to a portion of the Bonus Amount that is determined at the end of the Performance Period and payable at the time specified in Section 7.2. This provision only provides discretion in determining whether to waive the employment requirement. In the event the employment requirement is waived, the Bonus Amount shall be a *pro rata* amount based on the number of months of the Participant’s employment during the Performance Period with the month of termination counting as a full month of employment. For purposes of the Plan, “cause” shall mean: (i) a Participant’s failure or refusal to materially perform his duties; (ii) a Participant’s failure or refusal to follow material directions of the Board or any other act of material insubordination on the part of Participant; (iii) the commission by a Participant of an act of fraud or embezzlement against the Company; or (iv) any conviction of, or plea of guilty or nolo contendere to, a felony by a Participant.

8.2. Notwithstanding any provision in this Plan to the contrary, upon the occurrence of a Change of Control during the course of a Performance Period, then a Participant shall be deemed to have satisfied the Performance Objectives in order to receive the target bonus as specified in the Participant’s Award Agreement. Distribution of amounts payable in connection with an Award shall be made in cash immediately following (but in no event later than 30 days) following the occurrence of the Change of Control.

#### 9. RECOUPMENT

In the event of a restatement of materially inaccurate financial results, the Committee has the discretion to recover bonus awards that were paid under the Plan to a Participant with respect to the period covered by the restatement. If the payment of a bonus award would have been lower had the achievement of applicable financial performance targets been calculated based on such restated financial results, the Committee may, if it determines appropriate in its sole discretion, to the extent permitted by law, recover from the Participant the portion of the bonus award paid in excess of the payment that would have been made based on the restated financial results. The Company will not seek to recover bonus awards paid more than three years after the date the Company files the report with the Securities and Exchange Commission that contained the incorrect financial results. This Section 9 is in addition to, and not in lieu of, any requirements under any applicable law or regulation, including but not limited to the Sarbanes-Oxley Act of 2002 and the Dodd-Frank Wall Street Reform and Consumer Protection Act and shall apply notwithstanding anything to the contrary in the Plan.

#### 10. COMPLIANCE WITH SECTION 409A OF THE CODE

It is intended that this Plan shall either be exempt from the application of, or comply with, the requirements of Section 409A of the Code. This Plan shall be construed, administered, and governed in a manner that reflects such intent, and the Committee shall not take any action that would be inconsistent with such intent. Without limiting the foregoing, the bonus amount shall not be deferred, accelerated, extended, paid

out, settled, adjusted, substituted, exchanged or modified in a manner that would cause the award to fail to satisfy the conditions of an applicable exception from the requirements of Section 409A of the Code or otherwise would subject the Participant to the additional tax imposed under Section 409A of the Code. The amounts payable pursuant to this Agreement are intended to be separate payments that qualify for the "short-term deferral" exception to Section 409A of the Code to the maximum extent possible.

## 11. MISCELLANEOUS

11.1. Government and Other Regulations. The obligation of the Company to pay bonuses shall be subject to all applicable laws, rules and regulations and to such approvals by governmental agencies as may be required.

11.2. Tax Withholding. The Company shall have the right to deduct from all bonuses paid any federal, state or local taxes required by law to be withheld with respect to such payments.

11.3. Claim to Bonuses and Employment Rights. Neither this Plan nor any action taken hereunder shall be construed as giving any Participant any right to be retained in the employ of the Company or a Subsidiary.

11.4. Beneficiaries. Any bonuses awarded and otherwise payable under this Plan to a Participant who dies prior to payment shall be paid at the time specified in Section 7.2 to the beneficiary designated by the Participant on a form filed with the Company. If no such beneficiary has been designated or survives the Participant, payment shall be made to the Participant's legal representative. A beneficiary designation may be changed or revoked by a Participant at any time provided the change or revocation is filed with the Company. If the Participant dies during the Performance Period and while employed, the payment shall be made at the end of the Performance Period at the time specified in Section 7.2 and shall be a pro rata amount based on the Participant's months of employment during the Performance Period prior to death with the month of death counting as a full month of employment.

11.5. Nontransferability. A person's rights and interests under the Plan may not be assigned, pledged or transferred except, in the event of a Participant's death, to his designated beneficiary as provided in the Plan or, in the absence of such designation, by will or the laws of descent and distribution.

11.6. Indemnification. Each person who is or shall have been a member of the Committee or of the Board shall be indemnified and held harmless by the Company (to the extent permitted by the Articles of Incorporation and Code of Regulations of the Company and applicable law) against and from any loss, cost, liability or expense that may be imposed upon or reasonably incurred by him in connection with or resulting from any claim, action, suit or proceeding to which he may be a party or in which they may be involved by reason of any action taken or failure to act under the Plan and against and from any and all amounts paid by him in settlement thereof, with the Company's approval, or paid by him, in satisfaction of judgment in any such action, suit or proceeding against him. He shall give the Company an opportunity, at its own expense, to handle and defend the same before he undertakes to handle and defend it on his own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such person may be entitled under the Company's Articles of Incorporation or Code of Regulations, as a matter of law or otherwise or of any power that the Company may have to indemnify him or hold him harmless.

11.7. Reliance on Reports. Each member of the Committee and each member of the Board shall be fully justified in relying or acting in good faith upon any report made by the independent certified public accountants of the Company or of its Subsidiaries or upon any other information furnished in connection with the Plan by any officer, director or employee of the Company or any of its Subsidiaries. In no event shall any person who is or shall have been a member of the Committee or of the Board be liable for any determination made or other action taken or any omission to act in reliance upon any such report or information or for any action taken, including the furnishing of information, or failure to act, if in good faith.

11.8. Expenses. The expenses of administering the Plan shall be borne by the Company and its Subsidiaries in such proportions as shall be agreed upon by them from time to time.

11.9. 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 between any such title or heading and the text of the Plan, such text shall control.

11.10. Shareholder Approval. This Plan shall become effective following its adoption by the Board of Directors and its approval by the Company's shareholders.

## 12. **AMENDMENT AND TERMINATION**

The Board may at any time terminate the Plan. Other than modifying the number of Shares to be issued under the Plan, the Board may at any time, or from time to time, amend or suspend and, if suspended, reinstate the Plan in whole or in part. This Plan shall terminate upon the payment of Bonus Amounts, if any, associated with all Performance Periods, *provided* that the Plan shall continue in effect to the extent necessary to settle all matters relating to the payment of bonuses awarded prior to any such termination or suspension.



**AMERICAN FINANCIAL GROUP, INC.**

**2005 STOCK INCENTIVE PLAN**

**(as amended through February 23, 2012)**

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**AMERICAN FINANCIAL GROUP, INC.**

**2005 STOCK INCENTIVE PLAN**

**ARTICLE 1  
OBJECTIVES**

The objectives of this 2005 Stock Incentive Plan (the "Plan") are to enable American Financial Group, Inc. (the "Company") to compete successfully in retaining and attracting key employees of outstanding ability, to stimulate the efforts of such employees toward the Company's objectives and to encourage the identification of their interests with those of the Company's shareholders.

**ARTICLE 2  
DEFINITIONS**

For purposes of this Plan, the following terms shall have the following meanings:

2.1 "Award" means an award of a Stock Option, Stock Appreciation Right, Restricted Stock Award, Stock Unit Award or Stock Award granted under the Plan.

2.2 "Award Agreement" means a written or electronic agreement entered into between the Company and a Participant setting forth the terms and conditions of an Award granted to a Participant.

2.3 "Board" means the Board of Directors of the Company.

2.4 "Code" means the Internal Revenue Code of 1986, as amended, or any successor legislation.

2.5 "Committee" means a committee designated by the Board of the Company. The Committee shall be comprised of three or more directors, each of whom shall be (1) a "Non-Employee Director" as defined in Rule 16b-3 promulgated under the Exchange Act, (2) an "outside director" under Section 162(m) of the Code ("Section 162(m)") and (3) an "independent director" under rules adopted by the New York Stock Exchange, in each case as such rules and sections may be amended, superseded or interpreted hereafter.

2.6 "Common Stock" means the Company's common stock, no par value.

2.7 "Disability" means a Participant being considered "disabled" within the meaning of Section 409A(a)(2)(C) of the Code, unless otherwise provided in an Award Agreement.

2.8 "Eligible Employee" means any individual who performs services for the Company or any Subsidiary of the Company and is treated as an "employee" for federal income tax purposes.

2.9 "Exchange Act" means the Securities Exchange Act of 1934.

2.10 "Fair Market Value" of a Share as of a given date shall (i) if the Common Stock is then traded on the New York Stock Exchange, be the average of the highest and lowest of the New York Stock Exchange composite tape market prices at which the Shares shall have been sold regular way on the date as of which fair market value is to be determined or (ii) if the Common Stock is not then traded on the New York Stock Exchange but is quoted on the Nasdaq National Market, be the average of the closing bid and asked prices for a Share on the date as of which Fair Market Value is to be determined, or, in the case of (i) or (ii) if there shall be no such sale on such date, the next preceding day on which such sales

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shall have occurred. If Common Stock is not listed on the New York Stock Exchange or Nasdaq National Market on the date as of which Fair Market Value is to be determined, the Committee shall determine in good faith the Fair Market Value in whatever manner it considers appropriate.

2.11 "Grant Date" means the date designated by the Committee as the date upon which an Award is granted.

2.12 "Incentive Option" means any Stock Option intended to be and designated as an "Incentive Stock Option" within the meaning of Section 422 of the Code or any successor provision.

2.13 "Non-Qualified Option" means any Stock Option that is not an Incentive Option.

2.14 "Option Price" or "Exercise Price" means the price per Share at which Common Stock may be purchased upon the exercise of an Option.

2.15 "Participant" means a person to whom an Award has been granted pursuant to this Plan.

2.16 "Restricted Stock Award" means a grant of Shares to an Eligible Employee under Article 7 that are issued subject to such vesting and transfer restrictions as the Committee shall determine and set forth in an Award Agreement.

2.17 "Retirement" means any termination of employment (other than by death or Disability) by an employee who is at least 65 years of age, or 55 years of age with at least ten years of employment with the Company or a Subsidiary of the Company.

2.18 "Share" means one share of the Common Stock.

2.19 "Stock Appreciation Right" means a contractual right granted to an Eligible Employee under Article 6 entitling such Eligible Employee to receive a payment, representing the difference between the base price per Share of the right and the Fair Market Value of a Share, at such time, and subject to such conditions, as are set forth in the Plan and the applicable Award Agreement.

2.20 "Stock Award" means a grant of Shares to an Eligible Employee under Article 9 that are issued free of transfer restrictions and forfeiture conditions.

2.21 "Stock Option" or "Option" means the right to purchase Shares granted pursuant to this Plan.

2.22 "Stock Unit Award" means a contractual right granted to an Eligible Employee under Article 8 representing notional unit interests equal in value to a Share to be paid or distributed at such times, and subject to such conditions, as set forth in the Plan and the applicable Award Agreement.

2.23 "Subsidiary" has the meaning set forth in Section 424(f) of the Code.

2.24 "Term" means the period beginning on a Grant Date and ending on the expiration date of such Award.

2.25 "Transfer" means sale, assignment, pledge, encumbrance, alienation, attachment, charge or other disposition, whether or not for consideration; and the terms "Transferred" or "Transferable" have corresponding meanings.

## ARTICLE 3

### ADMINISTRATION; PARTICIPATION AND AWARDS

3.1 The Committee. This Plan shall be administered and interpreted by the Committee.

3.2 Committee Authority. The Committee shall have such powers and authority as may be necessary or appropriate for the Committee to carry out its functions as described in the Plan. Subject to the express limitations of the Plan, the Committee shall have authority in its discretion to determine, after considering management's recommendations with respect to Eligible Employees excluding the Company's executive officers, the Eligible Employees to whom, and the time or times at which, Awards may be granted, the number of Shares, units or other rights subject to each Award, the exercise, base or purchase price of an Award (if any), the time or times at which an Award will become vested, exercisable or payable, the performance goals and other conditions of an Award, the duration of the Award, and all other terms of the Award. The Committee shall determine the terms and conditions of all Awards granted to Participants. Subject to the terms of the Plan, the Committee shall have the authority to amend the terms of an Award in any manner that is not inconsistent with the Plan, provided that no such action shall adversely affect the rights of a Participant with respect to an outstanding Award without the Participant's consent. The Committee shall also have discretionary authority to interpret the Plan, to make factual determinations under the Plan, and to make all other determinations necessary or advisable for Plan administration, including, without limitation, to correct any defect, to supply any omission or to reconcile any inconsistency in the Plan or any Award Agreement hereunder. The Committee may prescribe, amend, and rescind rules and regulations relating to the Plan. The Committee's determinations under the Plan need not be uniform and may be made by the Committee selectively among Participants and Eligible Employees, whether or not such persons are similarly situated. The Committee shall, in its discretion, consider such factors as it deems relevant in making its interpretations, determinations and actions under the Plan including, without limitation, the recommendations or advice of any officer or employee of the Company or such attorneys, consultants, accountants or other advisors as it may select. All interpretations, determinations and actions by the Committee shall be final, conclusive, and binding upon all parties.

3.3 Delegation of Authority. The Committee shall be permitted to delegate to any appropriate officer or employee of the Company responsibility for performing certain ministerial functions under the Plan. In the event that the Committee's authority is delegated to officers or employees in accordance with the foregoing, all provisions of the Plan relating to the Committee shall be interpreted in a manner consistent with the foregoing by treating any such reference as a reference to such officer or employee for such purpose. Any action undertaken in accordance with the Committee's delegation of authority hereunder shall have the same force and effect as if such action was undertaken directly by the Committee and shall be deemed for all purposes of the Plan to have been taken by the Committee.

3.4 Designation of Participants. All Eligible Employees are eligible to be designated by the Committee to receive Awards and become Participants under the Plan. The Committee has the authority, in its discretion, to determine and designate from time to time those Eligible Employees who are to be granted Awards, the types of Awards to be granted and the number of Shares or rights subject to Awards granted under the Plan. In selecting Eligible Employees to be Participants and in determining the type and amount of Awards to be granted under the Plan, the Committee shall consider any and all factors that it deems relevant or appropriate.

## ARTICLE 4

### SHARES SUBJECT TO PLAN

4.1 Shares. Subject to adjustment as provided in Section 4.2, the number of Shares which may be issued under this Plan shall not exceed Thirteen Million (13,000,000) Shares. Shares issued and sold under the Plan may be either authorized but unissued Shares or Shares held in the

Company's treasury. To the extent that any Award involving the issuance of Shares is forfeited, cancelled, returned to the Company for failure to satisfy vesting requirements or other conditions of the Award, or is otherwise terminated without an issuance of Shares being made thereunder, the Shares covered thereby will no longer be counted against the foregoing maximum Share limitations and may again be made subject to Awards under the Plan pursuant to such limitations. Any Awards or portions thereof that are settled in cash and not in Shares shall not be counted against the foregoing maximum Share limitations. The number of Shares subject to Awards granted under the Plan to any single Participant shall not exceed, in the aggregate, 500,000 Shares per fiscal year (subject to adjustment as provided in Section 4.2). This per-Participant limit shall be construed and applied consistently with Code Section 162(m) and the regulations thereunder.

4.2 Adjustment Provisions. If there shall occur any change with respect to the outstanding Shares by reason of any recapitalization, reclassification, stock dividend, extraordinary dividend, stock split, reverse stock split or other distribution with respect to the Shares, or any merger, reorganization, consolidation, combination, spin-off or other similar corporate change, or any other change affecting the Common Stock, the Committee may, in the manner and to the extent that it deems appropriate and equitable to the Participants and consistent with the terms of the Plan, cause an adjustment to be made in (i) the maximum number and kind of Shares provided in Section 4.1 hereof, (ii) the number and kind of Shares, units or other rights subject to then outstanding Awards, (iii) the exercise or base price for each Share, unit or other right subject to then outstanding Awards, and (iv) any other terms of an Award that are affected by the event. Notwithstanding the foregoing, in the case of Incentive Stock Options, any such adjustments shall, to the extent practicable, be made in a manner consistent with the requirements of Section 424(a) of the Code.

## ARTICLE 5

### STOCK OPTIONS

5.1 Grants. Each Option granted shall be designated as either a Non-Qualified Option or an Incentive Option. One or more Stock Options may be granted to any Eligible Employee.

5.2 Incentive Options. Any Option designated by the Committee as an Incentive Option will be subject to the general provisions applicable to all Options granted under the Plan plus the following specific provisions:

5.2.1 If an Incentive Option is granted to a person who owns, directly or indirectly, stock representing more than 10% of (i) the total combined voting power of all classes of stock of the Company and its Subsidiaries, or (ii) a corporation that owns 50% or more of the total combined voting power of all classes of stock of the Company, then

5.2.1.1 the Option Price must equal at least 110% of the Fair Market Value on the Grant Date; and

5.2.1.2 the term of the Option shall not be greater than five years from the Grant Date.

5.2.2 The aggregate Fair Market Value of Shares, determined at the Grant Date, with respect to which Incentive Options that may become exercisable for the first time during any calendar year under this Plan or any other plan maintained by the Company and its Subsidiaries shall not exceed \$100,000 determined in accordance with Section 422(d) of the Code. To the extent that the aggregate Fair Market Value of Shares with respect to which Incentive Options become exercisable for the first time by any individual during any calendar year, under all plans of the Company and its Subsidiaries, exceeds \$100,000, such Options shall be treated as Non-Qualified Options.



5.2.3 Notwithstanding anything in this Plan to the contrary, no term of this Plan relating to Incentive Options shall be interpreted, amended or altered, nor shall any discretion or authority granted under this Plan be exercised, so as to disqualify this Plan under Section 422 of the Code, or, without the consent of the Participants affected, to disqualify any Incentive Option under Section 422 of the Code.

5.3 Terms of Options. Except as otherwise required by Sections 5.2 and subject to Section 5.7 and Article 11, Options granted under this Plan shall be subject to the following terms and conditions and shall be in such form and contain such additional terms and conditions, not inconsistent with the terms of this Plan, as the Committee shall deem desirable:

5.3.1 The Option Price shall be determined by the Committee at the Grant Date, except that no Incentive Option may be granted for an Option Price less than 100% of Fair Market Value on the Grant Date.

5.3.2 The Option Term shall be fixed by the Committee, but no Option shall be exercisable more than ten years after its Grant Date.

5.3.3 An Option shall be exercisable at such time or times and subject to such terms and conditions as shall be specified in the Award Agreement, *provided, however*, that an Option may not be exercised as to the lesser of 100 Shares at any one time or the total number available for exercise at that time.

5.3.4 Stock Options shall terminate in accordance with Section 5.7.

5.4 Vesting of Stock Options. The Committee shall, in its discretion, prescribe the time or times at which, or the conditions upon which, a Stock Option or portion thereof shall become vested and/or exercisable, and may accelerate the vesting or exercisability of any Stock Option at any time. The requirements for vesting and exercisability of a Stock Option may be based on the continued employment of a Participant with the Company or a Subsidiary of the Company for a specified period (or periods) or on the attainment of performance goals established by the Committee in its sole discretion.

5.5 Exercise of Options. Any Participant entitled to exercise an Option in whole or in part, may do so by delivering a written notice of exercise to the Company, Attention Corporate Secretary, at its principal office. The written notice shall specify the number of Shares for which an Option is being exercised and the Grant Date of the Option being exercised and shall be accompanied by full payment in cash or by check of the Option Price for the Shares being purchased and any withholding taxes. In addition, at the discretion of the Committee, either as set forth in an Option Agreement or determined at the time of exercise, the exercise price and withholding taxes may be paid:

5.5.1 By tender to the Company of Shares owned by the Participant having a Fair Market Value not less than the exercise price;

5.5.2 By the assignment of the proceeds of a sale or loan with respect to some or all of the Shares being acquired upon the exercise of the Option;

5.5.3 By such other consideration as may be approved by the Committee from time to time to the extent permitted by applicable law; or

5.5.4 By any combination of the methods described above in Sections 5.5.1 to 5.5.3.

5.6 Limited Transferability of Non-Qualified Options. Except as otherwise provided in Section 13.4, no Stock Option shall be Transferable or exercisable by any person other than the Participant except (i) upon the Participant's death or Disability, in accordance with Sections 5.7.3, 5.7.4

and 5.7.5 hereof or (ii) in the case of Non-Qualified Stock Options only, for the Transfer of all or part of the Stock Option to a Participant's "family member" (as defined for purposes of the Form S-8 registration statement under the Securities Act of 1933), as may be approved by the Committee in its sole and absolute discretion at the time of proposed Transfer. The Transfer of a Non-Qualified Stock Option may be subject to such terms and conditions as the Committee may in its discretion impose from time to time. Subsequent Transfers of a Non-Qualified Stock Option shall be prohibited other than in accordance with Sections 5.7.3, 5.7.4 and 5.7.5 hereof.

5.7 Termination of Stock Options. All Stock Options issued under this Plan shall terminate as follows:

5.7.1 During any period of continuous employment or business relationship with the Company or any Subsidiary of the Company, a Stock Option will be terminated only if it is fully exercised or if it has expired by its terms or by the terms of this Plan, including this Section 5.7. For purposes of this Plan, any leave of absence approved by the Company or the Subsidiary of the Company shall not be deemed to be a termination of employment.

5.7.2 If a Participant violates any terms of any written employment, confidentiality or noncompetition agreement between the Company or any Subsidiary of the Company and the Participant, all existing Stock Options granted to such Participant will terminate. In addition, if at the time of such violation such Participant has exercised Stock Options but has not received certificates for the Shares to be issued, the Company may void the Award and its exercise. Any such actions by the Company shall be in addition to any other rights or remedies available to the Company or the Subsidiaries of the Company in such circumstances. In the event Section 5.7.2 and 5.7.4 both apply to a situation, the provisions of Section 5.7.2 shall take precedence over the provisions of Section 5.7.4 and govern the situation.

5.7.3 If a Participant's employment by the Company or any Subsidiary of the Company terminates by reason of death, unless otherwise determined by the Committee, all Stock Options shall be fully vested and may thereafter be exercised by the Participant or by the Participant's beneficiary or legal representative, for a period of one year or such longer period as the Committee may specify at or after grant in all cases other than Incentive Options, or until the expiration of the stated term of such Stock Option, whichever period is shorter.

5.7.4 If Participant's employment by the Company or a Subsidiary of the Company terminates by reason Disability or Retirement, unless otherwise determined by the Committee based upon, among other factors, the Participant's contributions to, and longevity with, the Company or any Subsidiary, all Stock Options shall terminate (i) on the date which is 90 days after the date of such termination of employment or on the expiration of the stated term of the Stock Option, whatever shall first occur, in the case of a Participant which has been employed by the Company or any of its subsidiaries for ten full years or less, (ii) on the date which is one year after the date of such termination of employment or on the expiration of the stated term of the Stock Option, whichever shall first occur, in the case of a Participant who has been employed by the Company or any of its Subsidiaries for more than ten full years, but less than twenty full years, or (iii) on the date which is two years after the date of termination of employment or on the expiration of the stated term of the Stock Option, whichever shall first occur, in the case of a Participant who has been employed by the Company or any of its Subsidiaries for twenty full years or more.

5.7.5 Unless otherwise determined by the Committee at or after grant, if a Participant's employment by the Company or any Subsidiary of the Company terminates for any reason other than death, Disability or Retirement, the Stock Option will terminate on the earlier to occur of the stated expiration date or 90 days after termination of the employment. If a Participant dies during the 90 day period following the

termination of the employment or business relationship, any unexercised Stock Option held by the Participant, or Transferred by the Participant in accordance with Section 5.6, shall be exercisable, to the full extent that such Stock Option was exercisable at the time of death, for a period of one year after the date of death of the Participant or until the expiration of the stated term of the Stock Option, whichever occurs first.

5.8 Repricing Prohibited. Subject to the anti-dilution adjustment provisions contained in Section 4.2 hereof, without the prior approval of the Company's shareholders, evidenced by a majority of votes cast, neither the Committee nor the Board shall cause the cancellation, substitution or amendment of a Stock Option that would have the effect of reducing the exercise price of such a Stock Option previously granted under the Plan, or otherwise approve any modification to such a Stock Option that would be treated as a "repricing" under the then applicable rules, regulations or listing requirements adopted by the New York Stock Exchange.

## ARTICLE 6

### STOCK APPRECIATION RIGHTS.

6.1 Grant of Stock Appreciation Rights. A Stock Appreciation Right may be granted to any Eligible Employee selected by the Committee. Stock Appreciation Rights may be granted on a basis that allows for the exercise of the right by the Participant or that provides for the automatic payment of the right upon a specified date or event. Stock Appreciation Rights shall be exercisable or payable at such time or times and upon conditions as may be approved by the Committee, provided that the Committee may accelerate the exercisability or payment of a Stock Appreciation Right at any time.

6.2 Freestanding Stock Appreciation Rights. A Stock Appreciation Right may be granted without any related Stock Option and may be subject to such vesting and exercisability requirements as specified by the Committee in an Award Agreement. Such vesting and exercisability requirements may be based on the continued service of the Participant with the Company or its Subsidiaries for a specified time period (or periods) or on the attainment of specified performance goals established by the Committee in its discretion. A Stock Appreciation Right will be exercisable or payable at such time or times as determined by the Committee, provided that the maximum term of a Stock Appreciation Right shall be ten years from the Grant Date. The base price of a Stock Appreciation Right granted without any related Stock Option shall be determined by the Committee in its sole discretion; provided, however, that the base price per Share of any such freestanding Stock Appreciation Right shall not be less than 100% of the Fair Market Value of the Shares on the Grant Date.

6.3 Tandem Stock Option/Stock Appreciation Rights. A Stock Appreciation Right may be granted in tandem with a Stock Option, either at the time of grant or at any time thereafter during the term of the Stock Option. A tandem Stock Option/Stock Appreciation Right will entitle the holder to elect, as to all or any portion of the number of Shares subject to such Stock Option/Stock Appreciation Right, to exercise either the Stock Option or the Stock Appreciation Right, resulting in the reduction of the corresponding number of Shares subject to the right so exercised as well as the tandem right not so exercised. A Stock Appreciation Right granted in tandem with a Stock Option hereunder shall have a base price per Share equal to the Exercise Price of the Stock Option, will be vested and exercisable at the same time or times that a related Stock Option is vested and exercisable, and will expire no later than the time at which the related Stock Option expires.

6.4 Payment of Stock Appreciation Rights. A Stock Appreciation Right will entitle the holder, upon exercise or other payment of the Stock Appreciation Right, as applicable, to receive an amount determined by multiplying: (i) the excess of the Fair Market Value of a Share on the date of exercise or payment of the Stock Appreciation Right over the base price of such Stock Appreciation Right, by (ii) the number of Shares as to which such Stock Appreciation Right is exercised or paid. Subject to the requirements of Section 409A of the Code, payment of the amount determined under the foregoing may be made, as approved by the Committee and set forth in the Award Agreement, in Shares valued at their Fair Market Value on the date of exercise or payment, in cash, or in a combination of Shares and cash, subject to applicable tax withholding requirements.

6.5 Repricing Prohibited. Subject to the anti-dilution adjustment provisions contained in Section 4.2 hereof, without the prior approval of the Company's shareholders, evidenced by a majority of votes cast, neither the Committee nor the Board shall cause the cancellation, substitution or amendment of a Stock Appreciation Right that would have the effect of reducing the base price of such a Stock Appreciation Right previously granted under the Plan, or otherwise approve any modification to such a Stock Appreciation Right that would be treated as a "repricing" under the then applicable rules, regulations or listing requirements adopted by the New York Stock Exchange.

## ARTICLE 7

### RESTRICTED STOCK AWARDS

7.1 Grant of Restricted Stock Awards. A Restricted Stock Award may be granted to any Eligible Employee selected by the Committee. The Committee may require the payment by the Participant of a specified purchase price in connection with any Restricted Stock Award.

7.2 Vesting Requirements. The restrictions imposed on Shares granted under a Restricted Stock Award shall lapse in accordance with the vesting requirements specified by the Committee in the Award Agreement, provided that the Committee may accelerate the vesting of a Restricted Stock Award at any time. Such vesting requirements may be based on the continued employment of the Participant with the Company or its Subsidiaries for a specified time period (or periods) or on the attainment of specified performance goals established by the Committee in its discretion. If the vesting requirements of a Restricted Stock Award shall not be satisfied, the Award shall be forfeited and the Shares subject to the Award shall be returned to the Company.

7.3 Restrictions. Shares granted under any Restricted Stock Award may not be transferred, assigned or subject to any encumbrance, pledge, or charge until all applicable restrictions are removed or have expired, unless otherwise allowed by the Committee. Failure to satisfy any applicable restrictions shall result in the subject shares of the Restricted Stock Award being forfeited and returned to the Company. The Committee may require in an Award Agreement that certificates representing the shares granted under a Restricted Stock Award bear a legend making appropriate reference to the restrictions imposed, and that certificates representing the shares granted or sold under a Restricted Stock Award will remain in the physical custody of an escrow holder until all restrictions are removed or have expired.

7.4 Rights as Shareholder. Subject to the foregoing provisions of this Section 8 and the applicable Award Agreement, the Participant shall have all rights of a shareholder with respect to the Shares granted to the Participant under a Restricted Stock Award, including the right to vote the Shares and receive all dividends and other distributions paid or made with respect thereto. The Committee may provide in an Award Agreement for the payment of dividends and distributions to the Participant at such times as paid to shareholders generally or at the times of vesting or other payment of the Restricted Stock Award.

7.5 Section 83(b) Election. If a Participant makes an election pursuant to Section 83(b) of the Code with respect to a Restricted Stock Award, the Participant shall file, within 30 days following the Grant Date, a copy of such election with the Company and with the Internal Revenue Service, in accordance with the regulations under Section 83 of the Code. The Committee may provide in an Award Agreement that the Restricted Stock Award is conditioned upon the Participant's making or refraining from making an election with respect to the Award under Section 83(b) of the Code.

## ARTICLE 8

### STOCK UNIT AWARDS

8.4 Grant of Stock Unit Awards. A Stock Unit Award may be granted to any Eligible Employee selected by the Committee. The value of each stock unit under a Stock Unit Award is equal to the Fair Market Value of a Share on the applicable date or time period of determination, as specified by the Committee. A Stock Unit Award shall be subject to such restrictions and conditions as the Committee shall determine. A Stock Unit Award may be granted together with a dividend equivalent right with respect to the Shares subject to the Award, which may be accumulated and may be deemed reinvested in additional stock units, as determined by the Committee in its discretion.

8.5 Vesting of Stock Unit Awards. On the Date of Grant, the Committee shall in its discretion determine any vesting requirements with respect to a Stock Unit Award, which shall be set forth in the Award Agreement, provided that the Committee may accelerate the vesting of a Stock Unit Award at any time. Vesting requirements may be based on the continued employment of the Participant with the Company or its Subsidiaries for a specified time period (or periods) or on the attainment of specified performance goals established by the Committee in its discretion. A Stock Unit Award may also be granted on a fully vested basis, with a deferred payment date.

8.6 Payment of Stock Unit Awards. A Stock Unit Award shall become payable to a Participant at the time or times determined by the Committee and set forth in the Award Agreement, which may be upon or following the vesting of the Award. Payment of a Stock Unit Award may be made, at the discretion of the Committee, in cash or in Shares, or in a combination thereof, subject to applicable tax withholding requirements. Any cash payment of a Stock Unit Award shall be made based upon the Fair Market Value of the Common Stock, determined on such date or over such time period as determined by the Committee.

8.7 No Rights as Shareholder. The Participant shall not have any rights as a shareholder with respect to the shares subject to a Stock Unit Award until such time as Shares are delivered to the Participant pursuant to the terms of the Award Agreement.

## ARTICLE 9

### STOCK AWARDS

9.1 Grant of Stock Awards. A Stock Award may be granted to any Eligible Employee selected by the Committee. A Stock Award may be granted for past services, in lieu of bonus or other cash compensation or for any other valid purpose as determined by the Committee. A Stock Award granted to an Eligible Employee represents Shares that are issued without restrictions on transfer and other incidents of ownership and free of forfeiture conditions, except as otherwise provided in the Plan and the Award Agreement. The Committee may, in connection with any Stock Award, require the payment of a specified purchase price.

9.2 Rights as Shareholder. Subject to the foregoing provisions of this Article 9 and the applicable Award Agreement, upon the issuance of the Shares under a Stock Award the Participant shall have all rights of a shareholder with respect to the Shares, including the right to vote the shares and receive all dividends and other distributions paid or made with respect thereto.

## ARTICLE 10

### EXTRAORDINARY EVENTS

10.1 In the event of the dissolution or liquidation of the Company or any merger, other than a merger for the purpose of the redomestication of the Company not involving a change in control, consolidation, exchange or other transaction in which the Company is not the surviving corporation or in which the outstanding Shares of the Company are converted into cash, other securities or other property, each outstanding Award shall automatically become fully vested and fully exercisable immediately prior to such event. Thereafter the holder any Option shall, upon exercise of the Option, receive, in lieu of the stock or other securities and property receivable upon exercise of the Option prior to such transaction, the stock or other securities or property to which such holder would have been entitled upon consummation of such transaction if such holder had exercised such Option immediately prior to such transaction.

10.2 All outstanding Awards shall become fully vested and immediately exercisable in full if a change in control of the Company occurs. For purposes of this Agreement, a “change in control of the Company” shall be deemed to have occurred if:

10.2.1 there occurs an event or series of events by which Lindner Family Members (as defined below) collectively cease to be the “beneficial owner,” as defined in Rule 13d-3 under the Exchange Act of at least 15% of the Common Stock; or

10.2.2 during any period of one year after January 1, 2005, individuals who at the beginning of such period constitute the Board and any new director whose election by the Board or nomination for election by the Company’s shareholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof.

For purposes of this Section 10.2, “Lindner Family Member” means Carl H. Lindner, his wife and all lineal descendants and their wives, as well as trusts established for the benefit of such person.

## ARTICLE 11

### FORFEITURE EVENTS

11.1 General. In addition to the termination provisions applicable to Stock Options as provided in Section 5.7, the Committee may specify in an Award Agreement at the time of the Award that the Participant’s rights, payments and benefits with respect to an Award shall be subject to termination, reduction, cancellation, forfeiture or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events shall include, but shall not be limited to, termination of employment for cause, violation of material Company policies, breach of noncompetition, confidentiality or other restrictive covenants that may apply to the Participant, or other conduct by the Participant that is detrimental to the business or reputation of the Company.

11.2 Termination for Cause. Unless otherwise provided by the Committee and set forth in an Award Agreement, if a Participant’s employment with the Company or any Subsidiary of the Company shall be terminated for cause, the Company may, in its sole discretion, immediately terminate such Participant’s right to any further payments, vesting or exercisability with respect to any Award in its entirety. In the event a Participant is party to an employment (or similar) agreement with the Company or any Subsidiary of the Company that defines the term “cause,” such definition shall apply for purposes of the Plan. The Company shall have the power to determine whether the Participant has been terminated for cause and the date upon which such termination for cause occurs. Any such determination shall be final, conclusive and binding upon the Participant. In addition, if the Company shall reasonably determine that a Participant has committed or may have committed any act which could constitute the basis for a termination of such Participant’s employment for cause, the Company may suspend the Participant’s rights to exercise any options, receive any payment or vest in any right with respect to any Award pending a determination by the Company of whether an act has been committed which could constitute the basis for a termination for “cause” as provided in this Section 11.2.

## ARTICLE 12

### TERMINATION OR AMENDMENT OF THIS PLAN

12.1 The Board may at any time amend, suspend, or terminate the Plan; provided, however, that no amendments by the Board shall, without further approval of the shareholders of the Company:

12.1.1 Change the definition of Eligible Employees;

12.1.2 Except as provided in Article 4 hereof, increase the number of Shares which may be subject to Awards granted under the Plan; or increase the maximum number of Shares with respect to which Awards may be granted to any Participant during any fiscal year;

12.1.3 Cause the Plan or any Award granted under the Plan to fail to meet the conditions for exclusion of application of the \$1 million deduction limitation imposed by Section 162(m) of the Code;

12.1.4 Cause any Option granted as an Incentive Stock Option to fail to qualify as an "Incentive Stock Option" as defined by Section 422 of the Code; or

12.1.5 Where, as determined by the Board, the approval by the shareholders may be necessary or advisable for purposes of compliance with Section 162(m) or Section 422 of the Code, the listing requirements of the New York Stock Exchange or Nasdaq National Market or other exchange or market or for any other purpose.

12.2 No amendment or termination of the Plan shall impair any Award granted under the Plan without the consent of the holder thereof.

12.3 This Plan shall continue in effect until the expiration of all Awards granted under the Plan unless terminated earlier in accordance with this Article 12; provided, however, that it shall otherwise terminate and no options shall be granted after April 7, 2015.

## ARTICLE 13

### GENERAL PROVISIONS

13.1 Shareholder Approval. This Plan shall become effective following its adoption by the Board and its approval by the Company's shareholders.

13.2 Award Agreements. An Award under the Plan shall be evidenced by an Award Agreement in a written or electronic form approved by the Committee setting forth the number of Shares, units or rights subject to the Award, the exercise price, base price, or purchase price of the Award, the time or times at which an Award will become vested, exercisable or payable and the term of the Award. The Award Agreement may also set forth the effect on an Award of termination of employment under certain circumstances. The Award Agreement shall be subject to and incorporate, by reference or otherwise, all of the applicable terms and conditions of the Plan, and may also set forth other terms and conditions applicable to the Award as determined by the Committee consistent with the limitations of the Plan. Award Agreements evidencing Incentive Stock Options shall contain such terms and conditions as may be necessary to meet the applicable provisions of Section 422 of the Code. The grant of an Award under the Plan shall not confer any rights upon the Participant holding such Award other than such terms, and subject to such conditions, as are specified in the Plan as being applicable to such type of Award (or to all Awards) or as are expressly set forth in the Award Agreement. The Committee need not require the execution of an Award Agreement by a Participant, in which case, acceptance of the Award by the Participant shall constitute agreement by the Participant to the terms, conditions, restrictions and limitations set forth in the Plan and the Award Agreement as well as the administrative guidelines of the Company in effect from time to time.

13.3 Deferrals. The Committee may permit recipients of Awards to defer the distribution of all or part of any Award in accordance with such terms and conditions as the Committee shall establish.

13.4 Transfer; Assignment. Except as otherwise provided in Sections 5.6, 5.7.3, 5.7.4 and 5.7.5 hereof solely with respect to Options and except as otherwise provided below, Awards under the Plan shall not be Transferable by the Participant or exercisable by any person other than the Participant, and Awards under the Plan shall not be subject in any manner to assignment, alienation, pledge, encumbrance or charge:

13.4.1 During the lifetime of a Participant, an Award is not transferable voluntarily or by operation of law and may be exercised only by such individual;

13.4.2 Upon the death of a Participant, an Award may be transferred to the beneficiaries or heirs of the Participant will or by the laws of descent and distribution;

13.4.3 An Award may be transferred pursuant to a qualified domestic relations order as defined by the Code or Title I of ERISA.

Notwithstanding the above, the Committee may, with respect to particular Awards, establish or modify the terms of the Award to allow the Award to be transferred at the request of a Participant to trusts established by a Participant or as to which a Participant is a grantor or to lineal descendants of a Participant or otherwise for personal and tax planning purposes of a Participant. If the Committee allows such transfer, such Awards shall not be exercisable for a period of six months following the action of the Committee

13.5 Securities Laws. No Shares will be issued or transferred pursuant to an Award unless and until all then applicable requirements imposed by Federal and state securities and other laws, rules and regulations and by any regulatory agencies having jurisdiction, and by any exchanges upon which the Shares may be listed, have been fully met. As a condition precedent to the issuance of Shares pursuant to the grant or exercise of an Award, the Company may require the Participant to take any reasonable action to meet such requirements. The Committee may impose such conditions on any Shares issuable under the Plan as it may deem advisable, including, without limitation, restrictions under the Securities Act of 1933, under the requirements of any exchange upon which such shares of the same class are then listed, and under any blue sky or other securities laws applicable to such shares. The Committee may also require the Participant to represent and warrant at the time of issuance or transfer that the Shares are being acquired only for investment purposes and without any current intention to sell or distribute such shares.

13.6 No Right to Continued Employment. Neither the establishment of the Plan nor the granting of any Award hereunder shall confer upon any Eligible Employee any right to continue in the employ of the Company or any Subsidiary of the Company, or interfere in any way with the right of the Company or any Subsidiary of the Company to terminate such employment at any time.

13.7 No Rights as Shareholder. Except as otherwise provided in Section 7.4, Participant shall have no rights as a holder of Shares with respect to any unissued securities covered by an Award until the date the Participant becomes the holder of record of such securities.

13.8 Other Plans. The value of, or income arising from, any Awards issued under this Plan shall not be treated as compensation for purposes of any pension, profit sharing, life insurance, disability or other retirement or welfare benefit plan now maintained or hereafter adopted by the Company or any Subsidiary of the Company, unless such plan specifically provides to the contrary.



13.9 Unfunded Plan. The adoption of the Plan and any reservation of Shares or cash amounts by the Company to discharge its obligations hereunder shall not be deemed to create a trust or other funded arrangement. Except upon the issuance of Common Stock pursuant to an Award, any rights of a Participant under the Plan shall be those of a general unsecured creditor of the Company, and neither a Participant nor the Participant's permitted transferees or estate shall have any other interest in any assets of the Company by virtue of the Plan. Notwithstanding the foregoing, the Company shall have the right to implement or set aside funds in a grantor trust, subject to the claims of the Company's creditors or otherwise, to discharge its obligations under the Plan.

13.10 Withholding of Taxes. The Participant shall be responsible for payment of any taxes or similar charges required by law to be withheld from an Award or an amount paid in satisfaction of an Award, which shall be paid by the Participant on or prior to the payment or other event that results in taxable income in respect of an Award. The Award Agreement may specify the manner in which the withholding obligation shall be satisfied with respect to the particular type of Award.

13.11 Severability. If any provision of the Plan or any Award Agreement shall be determined to be illegal or unenforceable by any court of law in any jurisdiction, the remaining provisions hereof and thereof shall be severable and enforceable in accordance with their terms, and all provisions shall remain enforceable in any other jurisdiction.

13.12 Liability. No employee of the Company and no member of the Committee or the Board shall be liable for any action or determination taken or made in good faith with respect to the Plan or any Award granted hereunder and, to the fullest extent permitted by law, all employees and members of the Committee or the Board shall be indemnified by the Company for any liability and expenses which may occur through any claim or cause of action arising under or in connection with this Plan or any Awards granted under this Plan.

13.13 Governing Law. This Plan and actions taken in connection with it shall be governed by the laws of Ohio, without regard to the principles of conflict of laws.



**AMERICAN FINANCIAL GROUP, INC.  
NON-EMPLOYEE DIRECTORS COMPENSATION PLAN  
(Amended and Restated as of February 23, 2012)**

*P R E A M B L E*

This Amended and Restated Non-Employee Directors Compensation Plan (“Plan”) of American Financial Group, Inc. (the “Company”) amends and restates the Non-Employee Directors’ Compensation Plan (as amended and restated as of January 1, 2011). The purpose of the Plan is to provide compensation to the Company’s non-employee directors, the only participants in the Plan, to be paid through cash and through the issuance of shares of the Company’s common stock (“Common Stock”).

Directors who are not employees of the Company or of a Company subsidiary are paid an annual retainer (“Board Retainer”), an additional annual Board Committee retainer, including additional amounts paid for service as Chairman of a Board committee (“Committee Retainer”) and an attendance fee for each Board or Committee meeting attended (“Meeting Fees”), in cash in amounts established, from time to time, by the Board of Directors. The amounts established by the Board of Directors for the retainers and fees shall be set forth on the attached Schedule 1. Directors who are not employees of the Company or of a Company subsidiary also receive a restricted stock grant at a stock grant value (the “Stock Grant Value”) as determined below. The Board Retainer, Committee Retainer, Meeting Fees and Stock Grant Value in effect as of the date of this Plan are set forth on Schedule 1.

1. **PAYMENT OF COMPENSATION TO NON-EMPLOYEE DIRECTORS.**

a. **Retainers and Meeting Fees in Cash.** The Board Retainer and Committee Retainer (if applicable) shall be paid by the Company in cash, quarterly in arrears, as soon as practicable following the end of each calendar quarter. The Meeting Fees accrued during each calendar quarter, if any, shall be paid by the Company at the end of such quarter in cash, together with the applicable quarterly retainers. The amount of the Board Retainer and Committee Retainer may be changed by the Board of Directors from time to time without shareholder approval.

b. **Restricted Stock Grant.** On or about June 1 of each year during which a non-employee director is a member of the Company’s Board of Directors, such non-employee director shall receive a restricted stock grant payable in shares of Common Stock. The number of shares of Common Stock to be issued to each non-employee director pursuant to this Section shall be determined by dividing the Stock Grant Value by the per share Fair Market Value of the Common Stock (as defined in Section 2 below) for the trading day immediately preceding June 1 of the applicable year; the resulting number shall then be rounded up to the nearest share. The Board of Directors may change the Stock Grant Value to be granted to non-employee directors pursuant to this Section from time to time, or may determine that a fixed number of shares be granted in lieu of using the “Stock Grant Value” method described above, in each case without shareholder approval.

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2. FAIR MARKET VALUE OF COMPANY COMMON STOCK.

The “Fair Market Value” of a share of Common Stock shall be the average of the high and low sales prices of the shares on the New York Stock Exchange (“NYSE”) Composite Tape (the “NYSE Tape”) (or the principal market in which the Common Stock is traded, if the shares are not listed on that NYSE on such date (the “Principal Market”)).

3. RESTRICTIONS.

a. Restrictive Legend and Holding Period. In order to address certain provisions of the Federal securities laws, including Section 16(b) of the Securities Exchange Act of 1934, all certificates representing shares of Common Stock issued pursuant to the Plan shall bear the following restrictive legend which will prevent the recipient from disposing of such shares for six months from the date of issuance:

*THE SHARES OF COMMON STOCK REPRESENTED BY THIS CERTIFICATE MAY NOT BE OFFERED, SOLD, TRANSFERRED, PLEDGED, HYPOTHECATED OR OTHERWISE ASSIGNED UNTIL THE EXPIRATION OF THE SIX MONTH PERIOD BEGINNING ON THE DATE OF THE ORIGINAL ISSUANCE BY AMERICAN FINANCIAL GROUP, INC. (THE “COMPANY”) AS PROVIDED BY SECTION 3 OF THE COMPANY’S NON-EMPLOYEE DIRECTORS’ COMPENSATION PLAN, A COMPLETE AND CORRECT COPY OF THE FORM OF WHICH WILL BE FURNISHED BY THE COMPANY TO THE HOLDER HEREOF WITHIN FIVE DAYS AFTER RECEIPT OF A WRITTEN REQUEST.*

When the legend requirement imposed by this Section shall terminate, the Company (at its expense) shall issue a replacement certificate representing such shares without the legend.

b. Stock Ownership Guidelines. It shall be the objective of each non-employee director to beneficially own, not later than three years after receiving his or her first annual restricted stock award contemplated by Section 1(b) of this Plan (the “Share Ownership Target Date”), a minimum number of shares of Common Stock, the market value of which shall be equal to six times the then-current annual Board Retainer (the “Share Ownership Target”). After a non-employee director’s Share Ownership Target Date, such non-employee director shall thereafter endeavor to meet or exceed the Share Ownership Target. The market value for purposes of this Section for any date shall be the highest sales price of the shares during the last twenty-four months, as reported on the NYSE Tape or the Principal Market, as the case may be.

c. Additional Transfer Restrictions. No non-employee director may dispose of any shares received as an annual restricted stock award contemplated by Section 1(b) of this Plan until such time as all shares of Common Stock beneficially owned by such non-employee director reaches the Share Ownership Target. Thereafter, no non-employee director shall dispose of any shares received as an annual restricted stock award contemplated by Section 1(b) of this Plan such that such non-employee director’s direct or indirect ownership of shares of Common Stock would be less than the Share Ownership Target.

4. NO RIGHT TO CONTINUANCE AS A DIRECTOR

Neither the action of the Company in establishing the Plan nor the issuance of Common Stock under this Plan shall be deemed to create any obligation on the part of the Board of Directors to nominate any non-employee director for reelection by the Company's shareholders or to be evidence of any agreement or understanding, express or implied, that the non-employee director has a right to continue as a director for any period of time or at any particular rate of compensation.

5. SHARES SUBJECT TO THE PLAN.

Three Hundred Twenty Five Thousand (325,000) shares of Common Stock are authorized for issuance under the Plan in accordance with the provisions hereof. The Company shall at all times during the term of the Plan retain as authorized and unissued Common Stock at least the number of shares from time to time required under the provisions of the Plan, or otherwise assure itself of its ability to perform its obligations under this Plan. In the event of a reorganization, recapitalization, stock split, stock dividend, combination of shares, merger, consolidation, rights offering, or any other change in the corporate structure, capitalization or Common Stock of the Company, the Board of Directors shall make such adjustments as are appropriate to the maximum number and kind of shares of Common Stock that may be issued under the Plan.

6. EFFECTIVE DATE AND EXPIRATION OF PLAN.

Pursuant to New York Stock Exchange Rule 303A.08, the Plan is subject to approval by a majority of the votes cast at the next annual meeting of shareholders of the Company by the holders of shares of Common Stock entitled to vote thereon, and, if so approved, shall be effective beginning on the first day of the calendar quarter immediately following such vote (the "Effective Date"). Unless earlier terminated by the Board of Directors pursuant to Section 8, the Plan shall terminate on the tenth anniversary of the Effective Date. No shares of Common Stock shall be issued pursuant to the Plan after its termination date.

7. PAYMENT IN EVENT OF DEATH.

If a non-employee director dies, any portion of his or her compensation pursuant to the Plan then unpaid shall be paid to the beneficiaries of the director named in the most recent beneficiary designation filed with the Secretary of the Company. In the absence of such a designation, such compensation shall be paid to, or as directed by, the director's personal representative, in one or more installments as the non-employee director may have elected in writing.

8. AMENDMENT, SUSPENSION AND TERMINATION OF PLAN.

The Board of Directors may suspend or terminate the Plan or any portion of it at any time, and may amend it from time to time in such respects as the Board may deem advisable in order that any awards hereunder shall conform to any change in applicable laws or regulations or in any other respect the Board may deem to be in the best interests of the Company; provided, however, that no such amendment shall, without the further approval with the affirmative vote of shareholders entitled to cast at least a majority of the total number of votes represented at a meeting of shareholders of the Company, increase the number of shares of Common Stock which may be issued under the Plan, materially modify the requirements as to eligibility for participating in the Plan, or extend the termination date of the Plan.

**SCHEDULE 1**

*(EFFECTIVE AS OF FEBRUARY 23, 2012)*

Annual Board Retainer	\$40,000
Annual Compensation and Corporate Governance Committee Retainer for non-Chair Member <sup>1</sup>	\$6,000
Annual Audit Committee Retainer for non-Chair Member <sup>1</sup>	\$12,000
Annual Audit Committee Chair Retainer <sup>1</sup>	\$30,000
Annual Retainer for Chair of Committees (including Special Committee) other than Audit Committee <sup>1</sup>	\$12,000
Attendance Fee per Board Meeting	\$1,750
Attendance Fee per Committee (including Special Committee) Meeting <sup>2</sup>	\$1,250
Stock Grant Value	\$100,000

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<sup>1</sup> Committee Chairs will not receive member retainers in addition to retainers for Chair.

<sup>2</sup> Committee Meeting fees shall be paid also to Non-Employee Board members who attend meetings for Committees on which they do not serve, and to Board members who attend executive session meetings of the Non-Employee directors.