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

**FORM 8-K**

CURRENT REPORT

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

Date of Report (Date of earliest event reported): December 7, 2015

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**LEE ENTERPRISES, INCORPORATED**

(Exact name of Registrant as specified in its charter)

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Commission File Number 1-6227

Delaware  
(State of Incorporation)

42-0823980  
(I.R.S. Employer Identification No.)

201 N. Harrison Street, Davenport, Iowa 52801  
(Address of Principal Executive Offices)

(563) 383-2100  
Registrant's telephone number, including area code

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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:

- 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 2.02. Results of Operation and Financial Condition.**

On December 10, 2015, Lee Enterprises, Incorporated (the “Company”) reported its results for its fourth fiscal quarter and fiscal year ended September 27, 2015. A copy of the news release is furnished as **Exhibit 99.1** to this Form 8-K and information from the news release is hereby incorporated by reference. The information under Item 2.02 of this report shall not be treated as filed for purposes of the Securities Exchange Act of 1934, as amended.

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

Effective December 7, 2015, the Company’s Board of Directors approved amendments to the Amended and Restated Lee Enterprises, Incorporated 1990 Long-Term Incentive Plan (effective October 1, 1999, as amended effective December 7, 2015) (the “Amended Plan”) to modify its vesting provisions in the event of a change of control of the Company, along with certain immaterial changes and corrections.

The Amended Plan includes “double-trigger” termination provisions that provide for early vesting and exercise and issuance or payment as permitted (subject to certain limits) of outstanding equity awards only if both a change of control occurs and the participant is terminated as a result of the change of control.

Effective December 7, 2015, the Company’s Executive Compensation Committee authorized the Company to enter into change-in-control employment agreements (the “CIC Agreements”) with each of the nine senior executive officers listed in the table below. At the present time, these nine senior executive officers are the only employees of the Company with agreements of this type.

The CIC Agreements, which entitle these executives to severance and other benefits upon termination without cause or for good reason, become effective only upon a change of control of the Company, as defined. The agreements extend for two years from the date of signature. On each annual anniversary date of the CIC Agreements (each a “Renewal Date”), the change of control period will be automatically extended so as to terminate two years from such Renewal Date, unless at least 60 days prior to the Renewal Date the Company gives notice to the executive that the change of control period will not be extended.

If the executive’s employment is terminated during the two-year employment period other than for cause, death or disability, or the executive terminates employment for good reason, the executive will be entitled to the following benefits:

- *Base Salary and Bonus:* Highest monthly base salary (annualized) times 1.0 to 3.0 (3.0 for Ms. Junck, 2.0 for Mr. Mowbray and 1.0 for all other executives listed in the table below). Greater of (a) highest annual bonus during the years preceding the change of control, or (b) the current target bonus (100% for Ms. Junck, 50% for Messrs. Mowbray and Mayo and 25% for all of the other executives listed in the table below) times 1.0 to 3.0;
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- *Defined Contribution Plans:* Payment of 1.0 to 3.0 times the Company's average annual Retirement Account Plan contributions for the three years preceding the change of control (3.0 for Ms. Junck, 2.0 for Mr. Mowbray and 1.0 for all other executives listed in the table below);
- *Legal Fees:* Any legal fees and expenses incurred by the executive in asserting legal rights in connection with the agreement; and
- *Welfare Benefits:* Continued welfare benefits (three years for Ms. Junck, two years for Mr. Mowbray and one year for all executives listed in the table below) and outplacement services for two years for each of the executives listed in the table below.

The following summarizes information as of September 27, 2015 related to estimated potential cash payments upon a change of control under the Amended Plan and CIC Agreements.

<b>(Dollars)</b>	<b>Estimated Net Present Value of Change of Control Severance and Benefits</b>	<b>Potential Excise Tax Liability and Gross Up for Excise Taxes</b>	<b>Total</b>
Mary E. Junck <i>Chairman, President and Chief Executive Officer</i>	5,605,000	0	5,605,000
Kevin D. Mowbray <i>Executive Vice President and Chief Operating Officer</i>	1,485,000	0	1,485,000
Ronald A. Mayo <i>Vice President – Chief Financial Officer and Treasurer</i>	765,000	0	765,000
James A. Green <i>Vice President - Digital</i>	484,000	0	484,000
Paul M. Farrell <i>Vice President – Sales and Marketing</i>	484,000	0	484,000
Michael R. Gulledge <i>Vice President – Advertising Sales Leadership</i>	495,000	0	495,000
Astrid J. Garcia <i>Vice President – Human Resources</i>	413,000	0	413,000
Gregory P. Schemer <i>Vice President – Strategy</i>	369,000	0	369,000
Nathan E. Bekke <i>Vice President – Consumer Sales and Marketing</i>	424,000	0	424,000
			10,524,000

The foregoing summary descriptions of the Amended Plan; the form of Amended and Restated Employment Agreement for the Company's Chairman, President and Chief Executive Officer; form of Amended and Restated Employment Agreement for the Company's Executive Vice President and Chief Operating Officer; and form of Employment Agreement (which, in the case of Messrs. Gulledge and Schermer, amends and supersedes their previous CIC Agreements dated January 10, 2008 and January 11, 2008, respectively), for certain of the Company's other senior executive officers, which are filed as **Exhibits 10.1, 10.2, 10.3 and 10.4**, respectively, to this Current Report on Form 8-K and are incorporated herein by reference.

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

(d) *Exhibits*

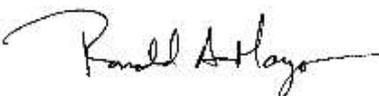
The following exhibits are filed as part of this Report.

- 10.1 Amended and Restated 1990 Long-Term Incentive Plan (effective October 1, 1999, as amended effective December 7, 2015)
- 10.2 Form of Amended and Restated Employment Agreement between Lee Enterprises, Incorporated and its Chairman, President and Chief Executive Officer
- 10.3 Form of Amended and Restated Employment Agreement between Lee Enterprises, Incorporated and its Executive Vice President and Chief Operating Officer
- 10.4 Form of Employment Agreement between Lee Enterprises, Incorporated and Certain of its Senior Executive Officers
- 99.1 News Release dated December 10, 2015 – Fourth fiscal quarter ended September 27, 2015

**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.

**LEE ENTERPRISES,  
INCORPORATED**

By: 

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Ronald A. Mayo  
Vice President, Chief Financial Officer,  
and Treasurer

Date: December 11, 2015

**AMENDED AND RESTATED LEE ENTERPRISES, INCORPORATED**  
**1990 LONG-TERM INCENTIVE PLAN**  
**(Effective October 1, 1999,**  
**As amended effective December 7, 2015)**

**Section 1: GENERAL PROVISIONS**

1.1 Purposes

The purposes of the 1990 Long-Term Incentive Plan, as amended, restated and extended (the “Plan”) of Lee Enterprises, Incorporated (the “Company”) are to promote the interests of the Company and its stockholders by (i) attracting and retaining executives and other key employees of outstanding ability; (ii) strengthening the Company’s capability to develop, maintain and direct a competent management team; (iii) motivating executives and other key employees, by means of performance-related incentives, to achieve longer-range performance goals; (iv) providing incentive compensation opportunities which are competitive with those of other major corporations; and (v) enabling such employees to participate in the long-term growth and financial success of the Company.

1.2 Definitions

“Affiliate” - means any corporation or other entity (i) which is not a Subsidiary but as to which the Company possesses a direct or indirect ownership interest and has representation on the board of directors or any similar governing body; and (ii) which is designated by the Board of Directors as an “Affiliate” for purposes of this Plan.

“Award” - means a grant or award under Sections 2 through 3, inclusive, of the Plan.

“Board of Directors” - means the board of directors of the Company.

“Code” - means the Internal Revenue Code of 1986 as amended from time to time.

“Committee” - means the Executive Compensation Committee of the Board of Directors.

“Common Stock” - means the Common Stock, \$0.01 par value, of the Company, which may be authorized and unissued shares or may be reacquired shares of such Common Stock, together with a Preferred Share Purchase Right.

“Corporation” - means the Company, its divisions, Subsidiaries and Affiliates.

“Disability Date” - means the date on which a Participant is deemed disabled under the employee benefit plans of the Corporation applicable to the Participant.

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“Employee” - means any key employee of the Corporation.

“Fair Market Value” - means, as the Committee shall determine, either (i) the average of the high and low prices of the Common Stock, or (ii) the closing price of the Common Stock, on the date on which it is to be valued hereunder as reported for New York Stock Exchange-Composite Transactions.

“Non-Employee Director” - has the meaning set forth in Rule 16b-3(3)(i) promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, or any successor definition adopted by the Commission.

“Normal Retirement Date” - has the meaning set forth in the pension or retirement plan of the Corporation applicable to the Participant, or such other date as may be mutually agreed upon in writing by the Committee and the Participant.

“Participant” - means an Employee who is selected by the Committee to receive an Award under the Plan.

“Preferred Share Purchase Right” - means the right to the holders of “Common Stock” issued pursuant to the Plan to purchase from the Company one one-thousandth of a share of Series A Participating Convertible Preferred Stock, without par value, of the Company at a price of \$150.00 per one one-thousandth of a Preferred Share, subject to adjustment in a “Change of Control”.

“Replacement Award” – means, in the context of a Change of Control under Section 1.6(d)(iii)(B), an award of stock options, stock appreciation rights, or restricted stock in any entity other than the Company resulting from, or the acquirer of assets in, a Business Combination, which (i) is no less favorable, in terms of value and vesting rights, than the original Award made under the Plan, and (ii) provides for immediate vesting in the case of the Participant’s termination of employment within one (1) year following the issuance of such Replacement Award.

“Restricted Period” - means a period of three (3) years, or such other period of years selected by the Committee, during which a grant of Restricted Stock may be forfeited to the Company.

“Restricted Stock” - means shares of Common Stock contingently granted to a Participant under Section 3 of the Plan.

“Stock Appreciation Rights” - shall have the meaning specified in Section 1.6(b).

“Subsidiary” - means any corporation in which the Company possesses directly or indirectly fifty percent (50%) or more of the total combined voting power of all classes of its stock having voting power; provided that with respect to incentive stock options granted hereunder, the term “subsidiary” shall be as defined in Section 425(f) or any successor provision of the Code.

### 1.3 Administration

The Plan shall be administered by the Committee, which shall at all times consist of three (3) or more members, each of whom shall be a Non-Employee Director. The Committee shall have sole and complete authority to adopt, alter and repeal such administrative rules, guidelines and practices governing the operation of the Plan as it shall from time to time deem advisable, and to interpret the terms and provisions of the Plan. The Committee may delegate to one or more executive officers of the Company the power to make Awards to Participants who are not executive officers or directors of the Company, provided the Committee shall fix the maximum amount of such Awards for the group and a maximum amount for any one Participant. The Committee’s decisions are binding upon all parties.

#### 1.4 Eligibility

All Employees who have demonstrated significant management potential or who have contributed, or are deemed likely to contribute, in a substantial measure to the successful performance of the Corporation, as determined by the Committee, are eligible to be Participants in the Plan.

#### 1.5 Shares Reserved

- a. There shall be reserved for issuance pursuant to the Plan a total of 5,600,309 shares of Common Stock, together with sufficient shares to cover outstanding grants under the Plan as of December 26, 2014. In the event that (i) a stock option expires or is terminated unexercised as to any shares covered thereby, (ii) shares are forfeited for any reason under the Plan, or (iii) shares are tendered as consideration for the exercise of options under Section 2.3 or for withholding of taxes under Section 1.7, such shares shall thereafter be again available for issuance pursuant to the Plan. In the event that a stock option is surrendered for payment pursuant to Section 1.6(b) hereof, the shares covered by the stock option shall not thereafter be available for issuance pursuant to the Plan.
- b. In the event of any change in the outstanding shares of Common Stock by reason of any stock dividend or split, recapitalization, merger, consolidation, spin-off, combination or exchange of shares or other corporate change, or any distributions to common shareholders other than cash dividends, the Committee shall make such substitution or adjustment, if any, as it deems to be equitable to accomplish fairly the purposes of the Plan and to preserve the intended benefits of the Plan to the Participants and the Corporation, as to the number (including the number specified in Section 1.5(a) above) or kind of shares of Common Stock or other securities issued or reserved for issuance pursuant to the Plan, including the number of outstanding stock options, the option prices thereof, and the number of outstanding Awards of other types.

#### 1.6 Change of Control

- a. Notwithstanding any other provision of the Plan to the contrary, in the event of a Change of Control: any stock options and Stock Appreciation Rights outstanding as of the date such Change of Control is determined to have occurred, and which are not then exercisable and vested, shall not immediately vest, and any Restricted Stock shall remain subject to any applicable restrictions, but shall remain in effect in accordance with their terms, unless the Participant is terminated from his or her employment with the Corporation within one (1) year following a Change of Control described in this subsection, in which case (i) such stock options and Stock Appreciation Rights shall become fully exercisable and vested to the full extent of the original grant; and (ii) the restrictions and deferral limitations applicable to any Restricted Stock shall lapse, and such Restricted Stock shall become free of all restrictions and become fully vested and transferable to the full extent of the original grant. For purposes of this subsection, a Participant shall be deemed to have been immediately terminated from his or her employment with the Corporation in the event of a Change of Control described in Sections 1.6(d)(iii) or (iv).

- b. Notwithstanding any other provision of the Plan to the contrary, if, following a Change of Control an optionee is terminated from his or her employment with the Corporation within one (1) year following a Change of Control, then, during the 60-day period from and after such termination of employment (the "Exercise Period"), unless the Committee shall determine otherwise at the time of grant, the optionee shall have the right, whether or not the stock option is fully exercisable and in lieu of the payment of the exercise price for the shares of Common Stock being purchased under the stock option and by giving notice to the Company, to elect (within the Exercise Period) to surrender all or part of the stock option to the Company and to receive cash, within 30 days of such notice, in an amount equal to the amount by which the Change of Control Price per share of Common Stock on the date of such election shall exceed the exercise price per share of Common Stock under the stock option multiplied by the number of shares of Common Stock granted under the stock option as to which the right granted under this Section 1.6(b) shall have been exercised ("Stock Appreciation Rights"). For purposes of this subsection, a Participant shall be deemed to have been immediately terminated from his or her employment with the Corporation in the event of a Change of Control described in Sections 1.6(d)(iii) or (iv).
- c. For purposes of the Plan, "Change of Control Price" means the higher of (i) the highest reported sales price, regular way, of a share of Common Stock in any transaction reported on the New York Stock Exchange - Composite Tape or other national exchange on which such shares are listed or on NASDAQ during the 60-day period prior to and including the date of a Change of Control or (ii) if the Change of Control is the result of a tender or exchange offer or a Business Combination, the highest price per share of Common Stock paid in such tender or exchange offer or Business Combination; provided, however, that in the case of incentive stock options and Stock Appreciation Rights relating to incentive stock options, the Change of Control Price shall be in all cases the Fair Market Value of the Common Stock on the date such incentive stock option or Stock Appreciation Right is exercised. To the extent that the consideration paid in any such transaction described above consists all or in part of securities or other noncash consideration, the value of such securities or other noncash consideration shall be determined in the sole discretion of the Board.
- d. For purposes of this Plan, a "Change of Control" means:
- i. the acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) ("Beneficial Ownership") of 15% or more of the Common Stock; provided, however, that for purposes of this subsection (i), the following acquisitions do not constitute a Change of Control: (A) any acquisition directly from the Company, (B) any acquisition by the Company, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company (D) any acquisition by a Person of Beneficial Ownership of less than 25% of the Common Stock if such Person reports, or is required to report such Beneficial Ownership on Schedule 13G under the Exchange Act or Schedule 13D of the Exchange Act (or any comparable or successor report), which Schedule 13D does not state any present intention to (or reserve the right to) hold such Common Stock with the purpose or effect of changing or influencing the control of the Company, nor in connection with or as a participant in any transaction having such purpose or effect, or (E) any acquisition pursuant to a transaction that complies with clauses (A) or (B) of subsection (iii) below; or

- ii. individuals who, as of the date hereof, constitute the Board (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company’s shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or
- iii. consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Company or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of the Company or the acquisition of assets or stock of another (entity by the Company or any of its subsidiaries (each, a “Business Combination”), in each case, unless, following such Business Combination, (A) (1) all or substantially all of the individuals and entities that were the beneficial owners, respectively, of the Common Stock immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of the Common Stock or, with respect to an entity other than the Company, the then outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors (or, for a non-corporate entity, equivalent governing body) of the entity resulting from such Business Combination (including, without limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Common Stock, (2) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of the Common Stock or, with respect to an entity other than the Company, the then outstanding shares of common stock of the corporation resulting from such Business Combination (or, for a non-corporate entity, equivalent securities) or the combined voting power of the then outstanding voting securities of such entity, except to the extent that such ownership existed prior to the Business Combination and (3) at least a majority of the members of the board of directors (or, for a non-corporate entity, equivalent governing body) of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or (B) if the Business Combination is the result of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Company or any of its subsidiaries in which the Company is not the resulting entity, or a sale or other disposition of all or substantially all of the assets of the Company, then each Award then-outstanding shall have been cancelled and substituted with a Replacement Award of equity in the acquiring entity; or

iv. approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

1.7 Withholding

The Corporation shall have the right to deduct from all amounts paid in cash (whether under this Plan or otherwise) any taxes required by law or other amounts authorized by a Participant to be withheld therefrom. In the case of payments of Awards in the form of Common Stock, at the Committee's discretion the Participant may be required to pay to the Corporation the amount of any taxes required to be withheld with respect to such Common Stock, or, in lieu thereof, the Corporation shall have the right to retain (or the Participant may be offered the opportunity to elect to tender) the number of shares of Common Stock whose Fair Market Value on the date such taxes are required to be withheld equals the amount required to be withheld.

1.8 Nontransferability

No Award shall be assignable or transferable, and no right or interest of any Participant shall be subject to any lien, obligation or liability of the Participant, except by will or the laws of descent and distribution.

1.9 No Right to Employment

No person shall have any claim or right to be granted an Award, and the grant of an Award shall not be construed as giving a Participant the right to be retained in the employ of the Corporation. Further, the Corporation expressly reserves the right at any time to dismiss a Participant free from any liability, or from any claim under the Plan, except as provided herein or in any agreement entered into with respect to an Award.

1.10 Construction of the Plan

The validity, construction, interpretation, administration and effect of the Plan and of its rules and regulations, and rights relating to the Plan, shall be determined solely in accordance with the laws of Delaware, without regard to conflict of law principles.

#### 1.11 Amendment

- a. The Board of Directors may amend, suspend or terminate the Plan or any portion thereof and any Award hereunder at any time, provided that no amendment shall be made without stockholder approval which shall (i) increase (except as provided in Section 1.5(b) hereof) the total number of shares reserved for issuance pursuant to the Plan; (ii) change the class of Employees eligible to be Participants; (iii) decrease the minimum option prices stated herein (other than to change the manner of determining Fair Market Value to conform to any then applicable provision of the Code or regulations thereunder); (iv) extend the expiration date of the Plan as it applies to incentive stock options; or (v) withdraw the administration of the Plan from a committee consisting of three or more members, each of whom is a Non-Employee Director. Notwithstanding anything to the contrary contained herein, the Committee may amend the Plan in such manner as may be necessary so as to have the Plan conform with applicable law and rules and regulations thereunder. Notwithstanding anything in this Plan to the contrary, following a Change of Control the Board may not amend the Plan in a manner that would adversely affect any outstanding Award of a Participant without the written consent of such Participant.
- b. Without limiting the power of the Board of Directors under Section 1.11(a), the Committee, with the Participant's consent, may amend, modify or terminate any outstanding Award at any time prior to payment or exercise in any manner not inconsistent with the terms of the Plan, including without limitation, to change the date or dates as of which (i) a stock option becomes exercisable; (ii) or a Restricted Stock becomes nonforfeitable; or (iii) to cancel and reissue an Award under such different terms and conditions as it determines appropriate.

#### 1.12 Dividends, Equivalents and Voting Rights; Cash Payments

Awards may provide the Participant with (i) dividends or dividend equivalents and voting rights prior to either vesting or earnout; and (ii) to the extent determined by the Committee, cash payments in lieu of or in addition to an Award.

#### 1.13 Effective Date

The Plan shall be effective on October 1, 1999, subject to ratification by the stockholders of the Company. No incentive stock options may be granted under the Plan after December 4, 2024.

## Section 2: STOCK OPTIONS

### 2.1 Authority of Committee

Subject to the provisions of the Plan, the Committee shall have sole and complete authority to determine the Employees to whom stock options shall be granted, the number of shares to be covered by each stock option and the conditions and limitations, if any, in addition to those set forth in Section 2.3 hereof, applicable to the exercise of the stock option. The number of shares of Common Stock with respect to which stock options may be granted to any Participant during any fiscal year shall not exceed 300,000 (subject to adjustment as provided in Section 1.5(b) hereof). The Committee shall have the authority to grant stock options that are intended to be, and qualify as, incentive stock options under Section 422A of the Code, or to grant non-qualified stock options, or to grant both types of stock options, except that incentive stock options can only be granted to Participants who are Employees of the Company or a Subsidiary. In the case of incentive stock options, the terms and conditions of such grants shall be subject to and comply with such grant and vesting limitations as may be prescribed by Section 422A(d) of the Code, as from time to time amended, and any implementing regulations. Unless the Committee provides otherwise at the time of grant, or at any time as provided in Section 1.6, an incentive stock option shall be issued in tandem with a Stock Appreciation Right and exercisable except as otherwise provided in the Plan.

### 2.2 Option Price

The Committee shall establish the option price at the time each stock option is granted, which price shall not be less than 100% of the Fair Market Value of the Common Stock on the date of grant. The option price shall be subject to adjustment in accordance with the provisions of Section 1.5(b) hereof.

### 2.3 Exercise of Options

- a. The Committee may determine that any stock option shall become exercisable in installments and may determine that the right to exercise such stock option as to such installments shall expire on different dates or on the same date. Incentive stock options may not be exercisable later than ten years after their date of grant.
- b. In the event a Participant ceases to be an Employee with the consent of the Committee, or upon the occurrence of his or her death, Normal Retirement Date (or, if approved in writing by the Committee, his or her actual retirement date) or Disability Date, his or her stock options shall be exercisable at any time prior to a date established by the Committee at the date of grant. Except as otherwise provided by the Committee, if a Participant ceases to be an Employee for any other reason, his or her rights under all stock options shall terminate no later than the thirtieth (30th) day after such cessation of employment.
- c. Each stock option shall be confirmed by a stock option agreement executed by the Company and by the Participant. The option price of each share as to which an option is exercised shall be paid in full at the time of such exercise. Such payment shall be made in cash, by tender of shares of Common Stock owned by the Participant valued at Fair Market Value as of the date of exercise, subject to such limitations on the tender of Common Stock as the Committee may impose, or by a combination of cash and shares of Common Stock. In addition, the Committee may provide the Participant with assistance in financing the option price and applicable withholding taxes, on such terms and conditions as it determines appropriate.

- d. Stock options granted under the Plan may include the right to acquire an Accelerated Ownership Non-Qualified Stock Option (“AO”). If an option grant contains an AO, and if a Participant pays all or part of the purchase price of the option with shares of Common Stock held by the Participant for at least one (1) year, then upon exercise of the option the Participant shall be granted the additional option to purchase, at the Fair Market Value as of the date of the AO grant, the number of shares of Common Stock equal to the number of whole shares of Common Stock used by the Participant in payment of the purchase price and the number of whole shares of Common Stock, if any, withheld by the Company as payment for applicable withholding taxes. An AO may be exercised no earlier than one (1) year after its grant and no later than the date of expiration of the option to which the AO is related;
- e. Stock options may be exercised during the option term (as specified in the option agreement), by giving written notice of exercise to the Company specifying the number of shares to be purchased. Such notice shall be accompanied by payment in full of the purchase price, either by check, note or such other type of instrument as may be determined from time to time to be acceptable by the Committee or in accordance with procedures established by the Committee. As determined by, or in accordance with procedures established by, the Committee, in its sole discretion, at or after grant, payment in full or in part may also be made in the case of the exercise of a non-qualified stock option in the form of Restricted Stock subject to an Award hereunder (based, in each case, on the Fair Market Value of the Common Stock on the date the option is exercised, as determined by the Committee). If payment of the option exercise price of a non-qualified stock option is made in whole or in part in the form of Restricted Stock, such Restricted Stock (and any replacement shares relating thereto) shall remain (or be) restricted, as the case may be, in accordance with the original terms of the Restricted Stock award in question, and any additional Common Stock received upon the exercise shall be subject to the same forfeiture restrictions, unless otherwise determined by, or in accordance with procedures established by, the Committee, in its sole discretion, at or after grant.

### **Section 3: RESTRICTED STOCK**

#### **3.1 Authority of Committee**

Subject to the provisions of the Plan, the Committee shall have sole and complete authority to determine the Employees to whom shares of Restricted Stock shall be granted, the number of shares of Restricted Stock to be granted to each Participant, the duration of the Restricted Period during and the conditions under which the Restricted Stock may be forfeited to the Company, the purchase price, if any, to be paid by a Participant for such Restricted Stock, and the terms and conditions of the Award in addition to those contained in Section 3.2. Such determinations shall be made by the Committee at the time of the grant.

#### **3.2 Terms and Conditions**

Shares of Restricted Stock may not be sold, assigned, transferred, pledged or otherwise encumbered, except as provided in Section 2.3(e), during the Restricted Period. Certificates issued in respect of shares of Restricted Stock shall be registered in the name of the Participant and deposited by him or her, together with a stock power endorsed in blank, with the Company. At the expiration of the Restricted Period, the Company shall deliver such certificates to the Participant or his or her legal representative.

### 3.3 Termination of Employment

Unless otherwise provided by the Committee at the time of the grant of Restricted Stock, in the event a Participant voluntarily terminates his or her employment with the Corporation during the Restricted Period, or upon the occurrence of his or her death, during the Restricted Period, Normal Retirement Date (or, if approved in writing by the Committee, his or her actual retirement date) or Disability Date during the Restricted Period, the restrictions imposed hereunder shall lapse with respect to such shares of Restricted Stock. In the event a Participant ceases to be an Employee for any other reason during the Restricted Period, unless otherwise provided by the Committee, all shares of Restricted Stock shall thereupon be forfeited to the Company.

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT (“Agreement”) is made by and between LEE ENTERPRISES, INCORPORATED, a Delaware corporation (the “Company”) and \_\_\_\_\_ (the “Executive”), effective as of \_\_\_\_\_, \_\_\_\_.

RECITAL:

The Board of Directors of the Company (the “Board”), has determined that it is in the best interests of the Company and its shareholders to assure that the Company will have the continued dedication of the Executive, notwithstanding the possibility, threat or occurrence of a Change of Control (as defined below) of the Company. The Board believes it is imperative to diminish the inevitable distraction of the Executive by virtue of the personal uncertainties and risks created by a pending or threatened Change of Control and to encourage the Executive’s full attention and dedication to the Company currently and in the event of any threatened or pending Change of Control, and to provide the Executive with compensation and benefits arrangements upon a Change of Control which ensure that the compensation and benefits expectations of the Executive will be satisfied and which are competitive with those of other corporations. Therefore, in order to accomplish these objectives, the Board has caused the Company to enter into this Agreement.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. Certain Definitions. (a) The “Effective Date” shall mean the first date during the Change of Control Period (as defined in Section 1(b)) on which a Change of Control (as defined in Section 2) occurs. Anything in this Agreement to the contrary notwithstanding, if the Executive’s employment with the Company is terminated prior to the date on which the Change of Control occurs, and if it is reasonably demonstrated by the Executive that such termination of employment was (i) at the request of a third party who has taken steps reasonably calculated to effect such Change of Control or (ii) otherwise arose in connection with or anticipation of a Change of Control (such a termination of employment, an “Anticipatory Termination”) and if such Change of Control is consummated, then for all purposes of this Agreement the “Effective Date” shall mean the date immediately prior to the date of such termination of employment.

(b) The “Change of Control Period” shall mean the period commencing on the date hereof and ending on the second anniversary of the date hereof; provided, however, that commencing on the date one year after the date hereof, and on each annual anniversary of such date (such date and each annual anniversary thereof shall be hereinafter referred to as the “Renewal Date”), the Change of Control Period shall be automatically extended so as to terminate two (2) years from such Renewal Date, unless at least sixty (60) days prior to the Renewal Date the Company shall give notice to the Executive that the Change of Control Period shall not be so extended.

(c) “Common Stock” shall mean the common stock, par value \$0.01 per share, of the Company.

2. Change of Control. For the purpose of this Agreement, a “Change of Control” shall mean:

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(a) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) (a “Person”) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) (“Beneficial Ownership”) of 15% or more of the Common Stock; provided, however, that for purposes of this subsection (a), the following acquisitions shall not constitute a Change of Control: (i) any acquisition directly from the Company, (ii) any acquisition by the Company, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, (iv) any acquisition by a Person of Beneficial Ownership of less than 25% of the Common Stock if such Person reports, or is required to report such Beneficial Ownership on Schedule 13G under the Exchange Act or Schedule 13D of the Exchange Act (or any comparable or successor report), which Schedule 13D does not state any present intention to (or reserve the right to) hold such Common Stock with the purpose or effect of changing or influencing the control of the Company, nor in connection with or as a participant in any transaction having such purpose or effect, or (v) any acquisition pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (c) of this Section 2; or

(b) Individuals who, as of the date hereof, constitute the Board (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company’s shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(c) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Company or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of the Company or the acquisition of assets or stock of another entity by the Company or any of its subsidiaries (each, a “Business Combination”), in each case, unless, following such Business Combination, (i) all or substantially all of the individuals and entities that were the beneficial owners, respectively, of the Common Stock immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of the Common Stock or, with respect to an entity other than the Company, the then outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors (or, for a non-corporate entity, equivalent governing body) of the entity resulting from such Business Combination (including, without limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Common Stock, (ii) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of the Common Stock or, with respect to an entity other than the Company, the then outstanding shares of common stock of the corporation resulting from such Business Combination (or, for a non-corporate entity, equivalent securities) or the combined voting power of the then outstanding voting securities of such entity, except to the extent that such ownership existed prior to the Business Combination and (iii) at least a majority of the members of the board of directors (or, for a non-corporate entity, equivalent governing body) of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(d) Approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

3. Employment Period. The Company hereby agrees to continue the Executive in its employ, and the Executive hereby agrees to remain in the employ of the Company subject to the terms and conditions of this Agreement, for the period commencing on the Effective Date and ending on the second (2<sup>nd</sup>) anniversary of such date (the "Employment Period").

4. Terms of Employment. (a) Position and Duties. (i) During the Employment Period, (A) the Executive's position (including status, offices, titles and reporting requirements), authority, duties and responsibilities shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned at any time during the 120-day period immediately preceding the Effective Date, (B) the Executive's services shall be performed at the location where the Executive was employed immediately preceding the Effective Date or any office or location less than 35 miles from such location and (C) the Executive shall not be required to travel on Company business to a substantially greater extent than required immediately prior to the Effective Date.

(ii) During the Employment Period, and excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Company and, to the extent necessary to discharge the responsibilities assigned to the Executive hereunder, to use the Executive's reasonable best efforts to perform faithfully and efficiently such responsibilities. During the Employment Period it shall not be a violation of this Agreement for the Executive to (A) serve on corporate, civic or charitable boards or committees, (B) deliver lectures, fulfill speaking engagements or teach at educational institutions and (C) manage personal investments, so long as such activities do not significantly interfere with the performance of the Executive's responsibilities as an employee of the Company in accordance with this Agreement. It is expressly understood and agreed that to the extent that any such activities have been conducted by the Executive prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date shall not thereafter be deemed to interfere with the performance of the Executive's responsibilities to the Company.

(b) Compensation. (i) Base Salary. During the Employment Period, the Executive shall receive an annual base salary ("Annual Base Salary"), which shall be paid at a monthly rate, at least equal to twelve times the highest monthly base salary paid or payable, including any base salary which has been earned but deferred, to the Executive by the Company and its affiliated companies in respect of the twelve-month period immediately preceding the month in which the Effective Date occurs. The Annual Base Salary shall be paid at such intervals as the Company pays executive salaries generally. During the Employment Period, the Annual Base Salary shall be reviewed no more than 12 months after the last salary increase awarded to the Executive prior to the Effective Date and thereafter at least annually. Any increase in Annual Base Salary shall not serve to limit or reduce any other obligation to the Executive under this Agreement. Annual Base Salary shall not be reduced after any such increase and the term Annual Base Salary as utilized in this Agreement shall refer to Annual Base Salary as so increased. As used in this Agreement, the term "affiliated companies" shall include any company controlled by, controlling or under common control with the Company.

(ii) Annual Bonus. In addition to Annual Base Salary, the Executive shall be awarded, for each fiscal year ending during the Employment Period, an annual bonus (the "Annual Bonus") in cash at least equal to the Executive's highest bonus under the Company's annual incentive plan, or any comparable bonus under any predecessor or successor plan, for the last three full fiscal years prior to the Effective Date (or for such lesser number of full fiscal years prior to the Effective Date for which the Executive was eligible to earn such a bonus, and annualized in the case of any pro rata bonus earned for a partial fiscal year) (the "Recent Annual Bonus"). (If the Executive has not been eligible to earn such a bonus for any period prior to the Effective Date, the "Recent Annual Bonus" shall mean the Executive's target annual bonus for the year in which the Effective Date occurs.) Unless the Executive shall elect to defer the receipt of such Annual Bonus pursuant to an arrangement that meets the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and the regulations promulgated thereunder ("Section 409A"), each such Annual Bonus shall be paid in a single sum on or before the 15<sup>th</sup> day of the third month following the end of the fiscal year in which the services are rendered that give rise to the Annual Bonus. To elect to defer receipt of an Annual Bonus in accordance with the preceding sentence, the Executive is required to make her election to defer an Annual Bonus by no later than the last day of the Company's fiscal year prior to the fiscal year in which the services are rendered which give rise to the Annual Bonus.

(iii) Incentive, Savings and Retirement Plans. During the Employment Period, the Executive shall be entitled to participate in all incentive, savings and retirement plans, practices, policies and programs applicable generally to other peer executives of the Company and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Executive with incentive opportunities (measured with respect to both regular and special incentive opportunities, to the extent, if any, that such distinction is applicable), savings opportunities and retirement benefit opportunities, in each case, less favorable, in the aggregate, than the most favorable of those provided by the Company and its affiliated companies for the Executive under such plans, practices, policies and programs as in effect at any time during the 120-day period immediately preceding the Effective Date or if more favorable to the Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and its affiliated companies.

(iv) Welfare Benefit Plans. During the Employment Period, the Executive and/or the Executive's family, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare benefit plans, practices, policies and programs provided by the Company and its affiliated companies (including, without limitation, medical, prescription, dental, disability, employee life, group life, accidental death and travel accident insurance plans and programs) to the extent applicable generally to other peer executives of the Company and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Executive with benefits which are less favorable, in the aggregate, than the most favorable of such plans, practices, policies and programs in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and its affiliated companies.

(v) Expenses. During the Employment Period, the Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive in accordance with the most favorable policies, practices and procedures of the Company and its affiliated companies in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(vi) Fringe Benefits. During the Employment Period, the Executive shall be entitled to fringe benefits, including, without limitation, tax and financial planning services, payment of club dues, and, if applicable, use of an automobile and payment of related expenses, in accordance with the most favorable plans, practices, programs and policies of the Company and its affiliated companies in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(vii) Office and Support Staff. During the Employment Period, the Executive shall be entitled to an office or offices of a size and with furnishings and other appointments, and to exclusive personal secretarial and other assistance, at least equal to the most favorable of the foregoing provided to the Executive by the Company and its affiliated companies at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as provided generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(viii) Vacation. During the Employment Period, the Executive shall be entitled to paid vacation in accordance with the most favorable plans, policies, programs and practices of the Company and its affiliated companies as in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

5. Termination of Employment. (a) Death or Disability. The Executive's employment shall terminate automatically upon the Executive's death during the Employment Period. If the Company determines in good faith that the Disability of the Executive has occurred during the Employment Period (pursuant to the definition of Disability set forth below), it may give to the Executive written notice in accordance with Section 12(b) of this Agreement of its intention to terminate the Executive's employment. In such event, the Executive's employment with the Company shall terminate effective on the 30th day after receipt of such notice by the Executive (the "Disability Effective Date"), provided that, within the 30 days after such receipt, the Executive shall not have returned to full-time performance of the Executive's duties. For purposes of this Agreement, "Disability" shall mean the absence of the Executive from the Executive's duties with the Company on a full-time basis for 180 consecutive business days as a result of incapacity due to mental or physical illness which is determined to be total and permanent by a physician selected by the Company or its insurers and acceptable to the Executive or the Executive's legal representative.

(b) Cause. The Company may terminate the Executive's employment during the Employment Period for Cause. For purposes of this Agreement, "Cause" shall mean:

(i) the willful and continued failure of the Executive to perform substantially the Executive's duties with the Company or one of its affiliates (other than any such failure resulting from incapacity due to physical or mental illness or following the Executive's delivery of a Notice of Termination for Good Reason), after a written demand for substantial performance is delivered to the Executive by the Board or the Chief Executive Officer of the Company which specifically identifies the manner in which the Board or Chief Executive Officer of the Company believes that the Executive has not substantially performed the Executive's duties, or

(ii) the willful engaging by the Executive in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Company.

For purposes of this provision, no act or failure to act, on the part of the Executive, shall be considered "willful" unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board, or if the Company is not the ultimate parent corporation of the affiliated companies and is not publicly-traded, the board of directors of the ultimate parent of the Company (the "Applicable Board") or upon the instructions of the Chief Executive Officer of the Company or a senior officer of the Company or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company. The cessation of employment of the Executive shall not be deemed to be for Cause unless and until there shall have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Applicable Board (excluding the Executive, if the Executive is a member of the Applicable Board) at a meeting of the Applicable Board called and held for such purpose (after reasonable notice is provided to the Executive and the Executive is given an opportunity, together with counsel for the Executive, to be heard before the Applicable Board), finding that, in the good faith opinion of the Applicable Board, the Executive is guilty of the conduct described in subparagraph (i) or (ii) above, and specifying the particulars thereof in detail.

(a) Good Reason. The Executive's employment may be terminated during the Employment Period by the Executive for Good Reason or by the Executive voluntarily without Good Reason, in accordance with the notice requirements of Section 5(d). For purposes of this Agreement, "Good Reason" means actions taken by the Company resulting in a material negative change in the employment relationship. For these purposes, a "material negative change in the employment relationship" shall include, without limitation:

(i) the assignment to the Executive of duties materially inconsistent with the Executive's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by Section 4(a) of this Agreement, or a material diminution in such position, authority, duties or responsibilities or a material diminution in the budget over which the Executive retains authority;

(ii) a material diminution in the authorities, duties or responsibilities of the person to whom the Executive is required to report, including a requirement that the Executive report to an officer or employee instead of reporting directly to the Applicable Board;

(iii) a reduction of five (5) percent or greater of (A) any element of the compensation and benefits required to be provided to the Executive in accordance with any of the provisions of Section 4(b); (B) the Executive's aggregate annual cash compensation, which for this purpose shall include, without limitation, Base Salary and Annual Bonus; or (C) the benefits, in the aggregate, required to be provided to the Executive in accordance with the provisions of this Agreement;

(iv) the Company's requiring the Executive (A) to be based at any office or location other than as provided in Section 4(a)(i)(B) hereof resulting in a material increase in the Executive's commute to and from the Executive's primary residence (for this purpose an increase in the Executive's commute by 30 miles or more shall be deemed material) or (B) to be based at a location other than the principal executive offices of the Company if the Executive was employed at such location immediately preceding the Effective Date;

(v) any other action or inaction that constitutes a material breach by the Company of this Agreement; or

(vi) any failure by the Company to comply with and satisfy Section 11(c) of this Agreement.

In order to invoke a termination for Good Reason, the Executive shall provide written notice to the Company of the existence of one or more of the conditions described in clauses (i) through (vi) within 90 days following the Executive's knowledge of the initial existence of such condition or conditions, and the Company shall have 30 days following receipt of such written notice (the "Cure Period") during which it may remedy the condition. In the event that the Company fails to remedy the condition constituting Good Reason during the applicable Cure Period, the Executive must terminate employment, if at all, within 90 days following such Cure Period in order for such termination as a result of such condition to constitute a termination for Good Reason. The Executive's mental or physical incapacity following the occurrence of an event described above in clauses (i) through (v) shall not affect the Executive's ability to terminate employment for Good Reason.

(d) Notice of Termination. Any termination by the Company for Cause, or by the Executive for Good Reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 12(b) of this Agreement. For purposes of this Agreement, a "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated and (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than thirty days after the giving of such notice). The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of the Executive or the Company, respectively, hereunder or preclude the Executive or the Company, respectively, from asserting such fact or circumstance in enforcing the Executive's or the Company's rights hereunder.

(e) Date of Termination. "Date of Termination" means (i) if the Executive's employment is terminated by the Company for Cause, or by the Executive for Good Reason, the date of receipt of the Notice of Termination or any later date specified therein, as the case may be, (ii) if the Executive's employment is terminated by the Company other than for Cause or Disability, the Date of Termination shall be the date on which the Company notifies the Executive of such termination, (iii) if the Executive resigns without Good Reason, the date on which the Executive notifies the Company of such termination and (iv) if the Executive's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of the Executive or the Disability Effective Date, as the case may be. The Company and the Executive shall take all steps necessary (including with regard to any post-termination services by the Executive) to ensure that any termination described in this Section 5 constitutes a "separation from service" within the meaning of Section 409A of the Code, and notwithstanding anything contained herein to the contrary, the date on which such separation from service takes place shall be the "Date of Termination."

6. Obligations of the Company upon Termination. (a) Good Reason; Other Than for Cause, Death or Disability. If, during the Employment Period, the Company shall terminate the Executive's employment other than for Cause or Disability or the Executive shall terminate employment for Good Reason:

(i) the Company shall pay to the Executive in a lump sum in cash within 30 days after the Date of Termination the aggregate of the following amounts:

A. the sum of (1) the Executive's Annual Base Salary through the Date of Termination to the extent not theretofore paid, (2) the Executive's business expenses that are reimbursable pursuant to Section 4(b) (v) but have not been reimbursed by the Company as of the Date of Termination; (3) the Executive's Annual Bonus for the fiscal year immediately preceding the fiscal year in which the Date of Termination occurs, if such bonus has been determined but not paid as of the Date of Termination (at the time such Annual Bonus would otherwise have been paid), but excluding any such Annual Bonus or portion thereof that has been earned but deferred; (4) any accrued vacation pay to the extent not theretofore paid (the sum of the amounts described in subclauses (1), (2), (3) and (4), the "Accrued Obligations") and (5) the product of (x) the higher of (I) the Recent Annual Bonus and (II) the Annual Bonus paid or payable, including any bonus or portion thereof which has been earned but deferred (and annualized for any fiscal year consisting of less than twelve full months or during which the Executive was employed for less than twelve full months), for the most recently completed fiscal year during the Employment Period, if any (such higher amount being referred to as the "Highest Annual Bonus") and (y) a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365 (the "Pro Rata Bonus"); and

B. the amount equal to the product of (1) three and (2) the sum of (x) the Executive's Annual Base Salary and (y) the Highest Annual Bonus; and

C. an amount equal to the product of (1) three and (2) the average annual amount of the Company's contributions on behalf of Executive under all defined contribution plans maintained by the Company or any of the affiliated companies during the three-year period immediately preceding the Change of Control.

(ii) for three years after the Executive's Date of Termination or such longer period as may be provided by the terms of the appropriate plan, program, practice or policy (the "Benefit Continuation Period"), the Company shall provide health care and life insurance benefits to the Executive and/or the Executive's family at least equal to those which would have been provided to them in accordance with the plans, programs, practices and policies providing health care and life insurance benefits and at the benefit level described in Section 4(b)(iv) of this Agreement if the Executive's employment had not been terminated or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies and their families; provided, however, that, the health care benefits provided during the Benefit Continuation Period shall be provided in such a manner that such benefits (and the costs and premiums thereof) are excluded from the Executive's income for federal income tax purposes and, if the Company reasonably determines that providing continued coverage under one or more of its health care benefit plans contemplated herein could be taxable to the Executive, the Company shall provide such benefits at the level required hereby through the purchase of individual insurance coverage; provided, further, however, that if the Executive becomes reemployed with another employer and is eligible to receive health care and life insurance benefits under another employer provided plan, the health care and life insurance benefits described herein shall be secondary to those provided under such other plan during such applicable period of eligibility. Following the end of the Benefit Continuation Period, the Executive shall be eligible for continued health coverage as required by Section 4980B of the Code or other applicable law ("COBRA Coverage"), as if the Executive's employment with the Company had terminated as of the end of such period, and the Company shall take such actions as are necessary to cause such COBRA Coverage not to be offset by the provision of benefits under this Section 6(a)(ii) and to cause the period of COBRA Coverage to commence at the end of the Benefit Continuation Period. For purposes of determining eligibility (but not the time of commencement of benefits) of the Executive for retiree welfare benefits pursuant to the retiree welfare benefit plans, the Executive shall be considered to have remained employed until the end of the Benefit Continuation Period and to have retired on the last day of such period.

(iii) beginning on the Executive's Date of Termination until the end of the Executive's second taxable year following the taxable year of such Date of Termination, the Company shall, at its sole expense as incurred, provide the Executive with outplacement services the scope and provider of which shall be selected by the Executive in her sole discretion, *provided*, that the cost of such outplacement services shall not exceed 10% of the Executive's Annual Base Salary; and

(iv) to the extent not theretofore paid or provided, the Company shall pay or provide to the Executive any other amounts or benefits required to be paid or provided or which the Executive is eligible to receive under any plan, program, policy or practice or contract or agreement of the Company and its affiliated companies (such other amounts and benefits shall be hereinafter referred to as the "Other Benefits") in accordance with the terms of the underlying plans or agreements.

(b) Death. If the Executive's employment is terminated by reason of the Executive's death during the Employment Period, this Agreement shall terminate without further obligations to the Executive's legal representatives under this Agreement, other than for payment of Accrued Obligations and the Pro Rata Bonus and the timely payment or provision of Other Benefits. Accrued Obligations and the Pro Rata Bonus shall be paid to the Executive's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(b) shall include, without limitation, and the Executive's estate and/or beneficiaries shall be entitled to receive, benefits at least equal to the most favorable benefits provided by the Company and affiliated companies to the estates and beneficiaries of peer executives of the Company and such affiliated companies under such plans, programs, practices and policies relating to death benefits, if any, as in effect with respect to other peer executives and their beneficiaries at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive's estate and/or the Executive's beneficiaries, as in effect on the date of the Executive's death with respect to other peer executives of the Company and its affiliated companies and their beneficiaries.

(c) Disability. If the Executive's employment is terminated by reason of the Executive's Disability during the Employment Period, this Agreement shall terminate without further obligations to the Executive, other than for payment of Accrued Obligations and the Pro Rata Bonus and the timely payment or provision of Other Benefits in accordance with the terms of the underlying plans or agreements. Accrued Obligations and the Pro Rata Bonus shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(c) shall include, and the Executive shall be entitled after the Disability Effective Date to receive, disability and other benefits at least equal to the most favorable of those generally provided by the Company and its affiliated companies to disabled executives and/or their families in accordance with such plans, programs, practices and policies relating to disability, if any, as in effect generally with respect to other peer executives and their families at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive and/or the Executive's family, as in effect at any time thereafter generally with respect to other peer executives of the Company and its affiliated companies and their families.

(d) Cause; Other than for Good Reason. If the Executive's employment shall be terminated for Cause during the Employment Period, this Agreement shall terminate without further obligations to the Executive other than the obligation to pay to the Executive (x) her Annual Base Salary through the Date of Termination and (y) Other Benefits, in each case to the extent theretofore unpaid. If the Executive voluntarily terminates employment during the Employment Period, excluding a termination for Good Reason, this Agreement shall terminate without further obligations to the Executive, other than for Accrued Obligations and the Pro Rata Bonus and the timely payment or provision of Other Benefits. In such case, all Accrued Obligations and the Pro Rata Bonus shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination.

7. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any plan, program, policy or practice provided by the Company or any of its affiliated companies and for which the Executive may qualify, nor, subject to Section 12(f), shall anything herein limit or otherwise affect such rights as the Executive may have under any contract or agreement with the Company or any of its affiliated companies. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company or any of its affiliated companies at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

8. Full Settlement; Legal Fees. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Executive or others. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement and such amounts shall not be reduced whether or not the Executive obtains other employment. The Company agrees to pay as incurred (within 10 days following the Company's receipt of an invoice from the Executive), at any time from the Effective Date of this Agreement through the Executive's remaining lifetime (or, if longer, through the 20th anniversary of the Effective Date), to the full extent permitted by law, all legal fees and expenses which the Executive may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Company, the Executive or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof (including as a result of any contest by the Executive about the amount of any payment pursuant to this Agreement), plus in each case interest on any delayed payment at the applicable federal rate provided for in Section 7872(f)(2)(A) of the Code ("Interest"). In order to comply with Section 409A of the Code, in no event shall the payments by the Company under this Section 8 be made later than the end of the calendar year next following the calendar year in which such fees and expenses were incurred, provided, that the Executive shall have submitted an invoice for such fees and expenses at least 10 days before the end of the calendar year next following the calendar year in which such fees and expenses were incurred. The amount of such legal fees and expenses that the Company is obligated to pay in any given calendar year shall not affect the legal fees and expenses that the Company is obligated to pay in any other calendar year, and the Executive's right to have the Company pay such legal fees and expenses may not be liquidated or exchanged for any other benefit.

9. Cap on Payments. (a) Anything in this Agreement to the contrary notwithstanding and except as set forth below, in the event it shall be determined that any Payment would be subject to the Excise Tax, then the amounts payable under this Agreement shall be reduced so that the Parachute Value of all Payments, in the aggregate, equals the Safe Harbor Amount (the "Cap Reduction"), only if the imposition of the Cap Reduction would result in the Executive receiving a larger Payment (net of all taxes on such Payment) than if the Cap Reduction had not been imposed. The reduction of the amounts payable hereunder, if applicable, shall be made by reducing the payments and benefits under the following sections in the following order: (1) Section 6(a)(i)(B), (2) Section 6(a)(i)(C), (3) Section 6(a)(i)(A)(5) and (4) Section 6(a)(ii). For purposes of reducing the Payments to the Safe Harbor Amount, only amounts payable under this Agreement (and no other Payments) shall be reduced. If the reduction of the amount payable under this Agreement would not result in a reduction of the Parachute Value of all Payments to the Safe Harbor Amount, no amounts payable under the Agreement shall be reduced pursuant to this Section 9(a).

(b) All determinations required to be made under this Section 9 shall be made by Deloitte Tax, LLP, or such other certified public accounting firm as may be designated by the Executive (the "Accounting Firm") which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the receipt of notice from the Executive that there has been a Payment, or such earlier time as is requested by the Company. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change of Control, the Executive shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any determination by the Accounting Firm shall be binding upon the Company and the Executive.

(c) Definitions. The following terms shall have the following meanings for purposes of this Section 9.

(i) "Excise Tax" shall mean the excise tax imposed by Section 4999 of the Code, together with any interest or penalties imposed with respect to such excise tax.

(ii) "Parachute Value" of a Payment shall mean the present value as of the date of the change of control for purposes of Section 280G of the Code of the portion of such Payment that constitutes a "parachute payment" under Section 280G(b)(2), as determined by the Accounting Firm for purposes of determining whether and to what extent the Excise Tax will apply to such Payment.

(iii) A "Payment" shall mean any payment or distribution in the nature of compensation (within the meaning of Section 280G(b)(2) of the Code) to or for the benefit of the Executive, whether paid or payable pursuant to this Agreement or otherwise.

(iv) The "Safe Harbor Amount" means 2.99 times the Executive's "base amount," within the meaning of Section 280G(b)(3) of the Code.

10. Non-Competition, Non-Solicitation and Confidential Information. In consideration of the Payments to be made hereunder:

(a) During the Restriction Period, Executive shall not Compete with the Company, or any of its affiliated companies, regardless of whether Executive is physically located inside or outside the Restricted Area (e.g., Executive cannot be employed by a Competitor whose place of business is outside the Restricted Area but who actually is engaged in a Restricted Business primarily targeted to Persons located inside the Restricted Area); provided Executive is permitted to own up to one percent (1%) of the outstanding capital stock or other equity interests of any publicly-traded Person that is a Competitor.

(b) Unless approved by the President of the Company in advance, during the Restriction Period, Executive shall not, directly or indirectly, solicit the employment of, assist in the soliciting of the employment of, or hire any employee of the Company or any of its affiliated companies, or induce any Person who is an employee, agent or contractor of the Company to terminate such relationship, or to join with the Executive or any other Person for the purpose of leaving the employ or such other relationship with the Company or any of its affiliated companies and undertaking any form of business. The preceding sentence shall not prevent Executive's employer from hiring any employee of the Company who contacts Executive's employer of her own initiative in response to advertisements or other general solicitations of employment from Executive's employer.

(c) During the Restriction Period, Executive shall not, directly or indirectly, solicit Customers for any purpose related to the Restricted Business.

(d) The restrictions set forth in Sections 10(b) and 10(c) shall not apply to general advertising or other general solicitations not intended to target employees or Customers of the Company.

(e) The Executive shall hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data relating to the Company or any of its affiliated companies, and their respective businesses, which shall have been obtained by the Executive during the Executive's employment by the Company or any of its affiliated companies and which shall not be or become public knowledge (other than by acts by the Executive or representatives of the Executive in violation of this Agreement). After termination of the Executive's employment with the Company, the Executive shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Company and those designated by it, *provided*, that nothing in this Agreement prohibits the Executive from reporting possible violations of law to any governmental agency or entity or making other disclosures that are protected under the whistleblower provisions of federal, state, or local laws or regulations. In no event shall an asserted violation of the provisions of this Section 10(e) constitute a basis for deferring or withholding any amounts otherwise payable to the Executive under this Agreement.

(f) In the event of Executive's actual or threatened breach of this Section 10, the Company shall be entitled to an injunction restraining Executive therefrom, and shall not be deemed to be the exclusive remedy for any such breach, but shall be in addition to all other remedies at law or in equity. Executive agrees to waive any requirement for the securing or posting of any bond in connection with such remedy. If, at the time of enforcement of this Section 10, a court holds that the restrictions stated herein are unreasonable under circumstances then existing, the parties hereto agree that the maximum period, scope or geographical area reasonable under such circumstances shall be substituted for the stated period, scope or area and that the court shall be allowed to revise the restrictions contained herein to cover the maximum period, scope and area permitted by law.

(g) For purposes of this Section 10, the following terms shall have the respective meanings set forth below:

(i) "Compete" means to, directly or indirectly, own, manage, control or participate in the ownership, management, or control of, or be employed or engaged by or otherwise affiliated or associated as a consultant, independent contractor or otherwise with, any Competitor, or otherwise directly or indirectly engage in any Restricted Business primarily targeted to the Restricted Area.

(ii) "Competitor" means any Person (other than the Company or its affiliated companies) who undertakes any Restricted Business in the Restricted Area, regardless of whether or not the Competitor is physically located inside or outside the Restricted Area.

(iii) "Customer" means any Person who was a customer of, had a contractual relationship with, or was a prospective customer of the Company or its affiliated companies, at any time within the twenty-four (24) month period ending on the Effective Date.

(iv) "Restricted Area" means an area within a fifty (50) mile radius of any Restricted Business owned as of the Effective Date.

(v) "Restricted Business" shall mean any paid or free distribution newspaper, classified advertising or specialty publication business (including any such publication distributed through the Internet) or commercial printing business that Competes with the Company, or any of its affiliated companies, in the Restricted Area.

(vi) "Restriction Period" means the period commencing on the Effective Date and ending on the date that is the first (1st) anniversary of the Effective Date.

11. Successors. (a) This Agreement is personal to the Executive and without the prior written consent of the Company shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution.

(b) This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives. Except as provided in Section 11(c), without the prior written consent of the Executive this Agreement shall not be assignable by the Company.

(c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

12. Miscellaneous. (a) This Agreement shall be governed by and construed in accordance with the laws of the State of Iowa, without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

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

If to the Executive:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If to the Company:

Lee Enterprises, Incorporated  
201 N. Harrison Street, Ste. 600  
Davenport, Iowa 52801-1939  
Attention: General Counsel

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

(c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(d) The Company may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(e) The Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Executive or the Company may have hereunder, including, without limitation, the right of the Executive to terminate employment for Good Reason pursuant to Section 5(c)(i)-(vi) of this Agreement, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(f) The Executive and the Company acknowledge that, except as may otherwise be provided under any other written agreement between the Executive and the Company, the employment of the Executive by the Company is "at will" and, subject to Section 1(a) hereof, prior to the Effective Date, the Executive's employment may be terminated by either the Executive or the Company at any time prior to the Effective Date, in which case the Executive shall have no further rights under this Agreement. From and after the Effective Date this Agreement shall supersede any other agreement between the parties with respect to the subject matter hereof.

(g) Notwithstanding any provision in this Agreement to the contrary, in the event of an Anticipatory Termination, any payments that are deferred compensation within the meaning of Section 409A of the Code that the Company shall be required to pay pursuant to Section 6(a)(i) of this Agreement shall be paid on the date of the Change of Control.

(h) Within the time period permitted by the applicable Treasury Regulations, the Company may, in consultation with the Executive, modify the Agreement, in the least restrictive manner necessary and without any diminution in the value of the payments to the Executive, in order to cause the provisions of the Agreement to comply with the requirements of Section 409A of the Code, so as to avoid the imposition of taxes and penalties on the Executive pursuant to Section 409A of the Code.

(i) Notwithstanding any other provision of this Agreement, if at the time of the Executive's termination of employment, the Executive is a "specified employee," as determined in accordance with Section 409A, any payments and benefits provided under this Agreement that constitute "nonqualified deferred compensation" subject to Section 409A that are provided to the Executive on account of the Executive's separation from service shall not be paid until the first payroll date to occur following the six-month anniversary of the Executive's Date of Termination ("Specified Employee Payment Date"). The aggregate amount of any payments that would otherwise have been made during such six-month period shall be paid in a lump sum on the Specified Employee Payment Date with interest and thereafter, any remaining payments shall be paid without delay in accordance with their original schedule. If the Executive dies before the Specified Employee Payment Date, any delayed payments shall be paid in accordance with Section 6(b).

13. Survivorship. Upon the expiration or other termination of this Agreement or the Executive's employment, the respective rights and obligations of the parties hereto shall survive to the extent necessary to carry out the intentions of the parties under this Agreement.

14. Amendment and Restatement. This Agreement amends and restates that certain Amended and Restated Employment Agreement dated January 10, 2008 by and between the Company and the Executive (the "Previous Agreement") in its entirety, constitutes the entire agreement, and supersedes the Previous Agreement and all other prior agreements and understandings, whether written and oral, among the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the Executive has hereunto set the Executive's hand and, pursuant to the authorization from its Board of Directors, the Company has caused these presents to be executed in its name on its behalf, all as of the day and year first above written.

\_\_\_\_\_

**LEE ENTERPRISES,  
INCORPORATED**

By: \_\_\_\_\_

\_\_\_\_\_  
Executive Vice President and Chief  
Operating  
Officer

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT (“Agreement”) is made by and between LEE ENTERPRISES, INCORPORATED, a Delaware corporation (the “Company”) and \_\_\_\_\_ (the “Executive”), effective as of \_\_\_\_\_, \_\_\_\_.

RECITAL:

The Board of Directors of the Company (the “Board”), has determined that it is in the best interests of the Company and its shareholders to assure that the Company will have the continued dedication of the Executive, notwithstanding the possibility, threat or occurrence of a Change of Control (as defined below) of the Company. The Board believes it is imperative to diminish the inevitable distraction of the Executive by virtue of the personal uncertainties and risks created by a pending or threatened Change of Control and to encourage the Executive’s full attention and dedication to the Company currently and in the event of any threatened or pending Change of Control, and to provide the Executive with compensation and benefits arrangements upon a Change of Control which ensure that the compensation and benefits expectations of the Executive will be satisfied and which are competitive with those of other corporations. Therefore, in order to accomplish these objectives, the Board has caused the Company to enter into this Agreement.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. Certain Definitions. (a) The “Effective Date” shall mean the first date during the Change of Control Period (as defined in Section 1(b)) on which a Change of Control (as defined in Section 2) occurs. Anything in this Agreement to the contrary notwithstanding, if the Executive’s employment with the Company is terminated prior to the date on which the Change of Control occurs, and if it is reasonably demonstrated by the Executive that such termination of employment was (i) at the request of a third party who has taken steps reasonably calculated to effect such Change of Control or (ii) otherwise arose in connection with or anticipation of a Change of Control (such a termination of employment, an “Anticipatory Termination”) and if such Change of Control is consummated, then for all purposes of this Agreement the “Effective Date” shall mean the date immediately prior to the date of such termination of employment.

(b) The “Change of Control Period” shall mean the period commencing on the date hereof and ending on the second anniversary of the date hereof; provided, however, that commencing on the date one year after the date hereof, and on each annual anniversary of such date (such date and each annual anniversary thereof shall be hereinafter referred to as the “Renewal Date”), the Change of Control Period shall be automatically extended so as to terminate two (2) years from such Renewal Date, unless at least sixty (60) days prior to the Renewal Date the Company shall give notice to the Executive that the Change of Control Period shall not be so extended.

(c) “Common Stock” shall mean the common stock, par value \$0.01 per share, of the Company.

2. Change of Control. For the purpose of this Agreement, a “Change of Control” shall mean:

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(a) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) (a “Person”) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) (“Beneficial Ownership”) of 15% or more of the Common Stock; provided, however, that for purposes of this subsection (a), the following acquisitions shall not constitute a Change of Control: (i) any acquisition directly from the Company, (ii) any acquisition by the Company, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, (iv) any acquisition by a Person of Beneficial Ownership of less than 25% of the Common Stock if such Person reports, or is required to report such Beneficial Ownership on Schedule 13G under the Exchange Act or Schedule 13D of the Exchange Act (or any comparable or successor report), which Schedule 13D does not state any present intention to (or reserve the right to) hold such Common Stock with the purpose or effect of changing or influencing the control of the Company, nor in connection with or as a participant in any transaction having such purpose or effect, or (v) any acquisition pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (c) of this Section 2; or

(b) Individuals who, as of the date hereof, constitute the Board (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company’s shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(c) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Company or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of the Company or the acquisition of assets or stock of another entity by the Company or any of its subsidiaries (each, a “Business Combination”), in each case, unless, following such Business Combination, (i) all or substantially all of the individuals and entities that were the beneficial owners, respectively, of the Common Stock immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of the Common Stock or, with respect to an entity other than the Company, the then outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors (or, for a non-corporate entity, equivalent governing body) of the entity resulting from such Business Combination (including, without limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Common Stock, (ii) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of the Common Stock or, with respect to an entity other than the Company, the then outstanding shares of common stock of the corporation resulting from such Business Combination (or, for a non-corporate entity, equivalent securities) or the combined voting power of the then outstanding voting securities of such entity, except to the extent that such ownership existed prior to the Business Combination and (iii) at least a majority of the members of the board of directors (or, for a non-corporate entity, equivalent governing body) of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(d) Approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

3. Employment Period. The Company hereby agrees to continue the Executive in its employ, and the Executive hereby agrees to remain in the employ of the Company subject to the terms and conditions of this Agreement, for the period commencing on the Effective Date and ending on the second (2<sup>nd</sup>) anniversary of such date (the "Employment Period").

4. Terms of Employment. (a) Position and Duties. (i) During the Employment Period, (A) the Executive's position (including status, offices, titles and reporting requirements), authority, duties and responsibilities shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned at any time during the 120-day period immediately preceding the Effective Date, (B) the Executive's services shall be performed at the location where the Executive was employed immediately preceding the Effective Date or any office or location less than 35 miles from such location and (C) the Executive shall not be required to travel on Company business to a substantially greater extent than required immediately prior to the Effective Date.

(ii) During the Employment Period, and excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Company and, to the extent necessary to discharge the responsibilities assigned to the Executive hereunder, to use the Executive's reasonable best efforts to perform faithfully and efficiently such responsibilities. During the Employment Period it shall not be a violation of this Agreement for the Executive to (A) serve on corporate, civic or charitable boards or committees, (B) deliver lectures, fulfill speaking engagements or teach at educational institutions and (C) manage personal investments, so long as such activities do not significantly interfere with the performance of the Executive's responsibilities as an employee of the Company in accordance with this Agreement. It is expressly understood and agreed that to the extent that any such activities have been conducted by the Executive prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date shall not thereafter be deemed to interfere with the performance of the Executive's responsibilities to the Company.

(b) Compensation. (i) Base Salary. During the Employment Period, the Executive shall receive an annual base salary ("Annual Base Salary"), which shall be paid at a monthly rate, at least equal to twelve times the highest monthly base salary paid or payable, including any base salary which has been earned but deferred, to the Executive by the Company and its affiliated companies in respect of the twelve-month period immediately preceding the month in which the Effective Date occurs. The Annual Base Salary shall be paid at such intervals as the Company pays executive salaries generally. During the Employment Period, the Annual Base Salary shall be reviewed no more than 12 months after the last salary increase awarded to the Executive prior to the Effective Date and thereafter at least annually. Any increase in Annual Base Salary shall not serve to limit or reduce any other obligation to the Executive under this Agreement. Annual Base Salary shall not be reduced after any such increase and the term Annual Base Salary as utilized in this Agreement shall refer to Annual Base Salary as so increased. As used in this Agreement, the term "affiliated companies" shall include any company controlled by, controlling or under common control with the Company.

(ii) Annual Bonus. In addition to Annual Base Salary, the Executive shall be awarded, for each fiscal year ending during the Employment Period, an annual bonus (the "Annual Bonus") in cash at least equal to the Executive's highest bonus under the Company's annual incentive plan, or any comparable bonus under any predecessor or successor plan, for the last three full fiscal years prior to the Effective Date (or for such lesser number of full fiscal years prior to the Effective Date for which the Executive was eligible to earn such a bonus, and annualized in the case of any pro rata bonus earned for a partial fiscal year) (the "Recent Annual Bonus"). (If the Executive has not been eligible to earn such a bonus for any period prior to the Effective Date, the "Recent Annual Bonus" shall mean the Executive's target annual bonus for the year in which the Effective Date occurs.) Unless the Executive shall elect to defer the receipt of such Annual Bonus pursuant to an arrangement that meets the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and the regulations promulgated thereunder ("Section 409A"), each such Annual Bonus shall be paid in a single sum on or before the 15<sup>th</sup> day of the third month following the end of the fiscal year in which the services are rendered that give rise to the Annual Bonus. To elect to defer receipt of an Annual Bonus in accordance with the preceding sentence, the Executive is required to make his or her election to defer an Annual Bonus by no later than the last day of the Company's fiscal year prior to the fiscal year in which the services are rendered which give rise to the Annual Bonus.

(iii) Incentive, Savings and Retirement Plans. During the Employment Period, the Executive shall be entitled to participate in all incentive, savings and retirement plans, practices, policies and programs applicable generally to other peer executives of the Company and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Executive with incentive opportunities (measured with respect to both regular and special incentive opportunities, to the extent, if any, that such distinction is applicable), savings opportunities and retirement benefit opportunities, in each case, less favorable, in the aggregate, than the most favorable of those provided by the Company and its affiliated companies for the Executive under such plans, practices, policies and programs as in effect at any time during the 120-day period immediately preceding the Effective Date or if more favorable to the Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and its affiliated companies.

(iv) Welfare Benefit Plans. During the Employment Period, the Executive and/or the Executive's family, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare benefit plans, practices, policies and programs provided by the Company and its affiliated companies (including, without limitation, medical, prescription, dental, disability, employee life, group life, accidental death and travel accident insurance plans and programs) to the extent applicable generally to other peer executives of the Company and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Executive with benefits which are less favorable, in the aggregate, than the most favorable of such plans, practices, policies and programs in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and its affiliated companies.

(v) Expenses. During the Employment Period, the Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive in accordance with the most favorable policies, practices and procedures of the Company and its affiliated companies in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(vi) Fringe Benefits. During the Employment Period, the Executive shall be entitled to fringe benefits, including, without limitation, tax and financial planning services, payment of club dues, and, if applicable, use of an automobile and payment of related expenses, in accordance with the most favorable plans, practices, programs and policies of the Company and its affiliated companies in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(vii) Office and Support Staff. During the Employment Period, the Executive shall be entitled to an office or offices of a size and with furnishings and other appointments, and to exclusive personal secretarial and other assistance, at least equal to the most favorable of the foregoing provided to the Executive by the Company and its affiliated companies at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as provided generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(viii) Vacation. During the Employment Period, the Executive shall be entitled to paid vacation in accordance with the most favorable plans, policies, programs and practices of the Company and its affiliated companies as in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

5. Termination of Employment. (a) Death or Disability. The Executive's employment shall terminate automatically upon the Executive's death during the Employment Period. If the Company determines in good faith that the Disability of the Executive has occurred during the Employment Period (pursuant to the definition of Disability set forth below), it may give to the Executive written notice in accordance with Section 12(b) of this Agreement of its intention to terminate the Executive's employment. In such event, the Executive's employment with the Company shall terminate effective on the 30th day after receipt of such notice by the Executive (the "Disability Effective Date"), provided that, within the 30 days after such receipt, the Executive shall not have returned to full-time performance of the Executive's duties. For purposes of this Agreement, "Disability" shall mean the absence of the Executive from the Executive's duties with the Company on a full-time basis for 180 consecutive business days as a result of incapacity due to mental or physical illness which is determined to be total and permanent by a physician selected by the Company or its insurers and acceptable to the Executive or the Executive's legal representative.

(b) Cause. The Company may terminate the Executive's employment during the Employment Period for Cause. For purposes of this Agreement, "Cause" shall mean:

(i) the willful and continued failure of the Executive to perform substantially the Executive's duties with the Company or one of its affiliates (other than any such failure resulting from incapacity due to physical or mental illness or following the Executive's delivery of a Notice of Termination for Good Reason), after a written demand for substantial performance is delivered to the Executive by the Board or the Chief Executive Officer of the Company which specifically identifies the manner in which the Board or Chief Executive Officer of the Company believes that the Executive has not substantially performed the Executive's duties, or

(ii) the willful engaging by the Executive in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Company.

For purposes of this provision, no act or failure to act, on the part of the Executive, shall be considered "willful" unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board, or if the Company is not the ultimate parent corporation of the affiliated companies and is not publicly-traded, the board of directors of the ultimate parent of the Company (the "Applicable Board") or upon the instructions of the Chief Executive Officer of the Company or a senior officer of the Company or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company. The cessation of employment of the Executive shall not be deemed to be for Cause unless and until there shall have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Applicable Board (excluding the Executive, if the Executive is a member of the Applicable Board) at a meeting of the Applicable Board called and held for such purpose (after reasonable notice is provided to the Executive and the Executive is given an opportunity, together with counsel for the Executive, to be heard before the Applicable Board), finding that, in the good faith opinion of the Applicable Board, the Executive is guilty of the conduct described in subparagraph (i) or (ii) above, and specifying the particulars thereof in detail.

(c) Good Reason. The Executive's employment may be terminated during the Employment Period by the Executive for Good Reason or by the Executive voluntarily without Good Reason, in accordance with the notice requirements of Section 5(d). For purposes of this Agreement, "Good Reason" means actions taken by the Company resulting in a material negative change in the employment relationship. For these purposes, a "material negative change in the employment relationship" shall include, without limitation:

(i) the assignment to the Executive of duties materially inconsistent with the Executive's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by Section 4(a) of this Agreement, or a material diminution in such position, authority, duties or responsibilities or a material diminution in the budget over which the Executive retains authority;

(ii) a material diminution in the authorities, duties or responsibilities of the person to whom the Executive is required to report, including a requirement that the Executive report to an officer or employee instead of reporting directly to the Applicable Board;

(iii) a reduction of five (5) percent or greater of (A) any element of the compensation and benefits required to be provided to the Executive in accordance with any of the provisions of Section 4(b); (B) the Executive's aggregate annual cash compensation, which for this purpose shall include, without limitation, Base Salary and Annual Bonus; or (C) the benefits, in the aggregate, required to be provided to the Executive in accordance with the provisions of this Agreement;

(iv) the Company's requiring the Executive (A) to be based at any office or location other than as provided in Section 4(a)(i)(B) hereof resulting in a material increase in the Executive's commute to and from the Executive's primary residence (for this purpose an increase in the Executive's commute by 30 miles or more shall be deemed material) or (B) to be based at a location other than the principal executive offices of the Company if the Executive was employed at such location immediately preceding the Effective Date;

(v) any other action or inaction that constitutes a material breach by the Company of this Agreement; or

(vi) any failure by the Company to comply with and satisfy Section 11(c) of this Agreement.

In order to invoke a termination for Good Reason, the Executive shall provide written notice to the Company of the existence of one or more of the conditions described in clauses (i) through (vi) within 90 days following the Executive's knowledge of the initial existence of such condition or conditions, and the Company shall have 30 days following receipt of such written notice (the "Cure Period") during which it may remedy the condition. In the event that the Company fails to remedy the condition constituting Good Reason during the applicable Cure Period, the Executive must terminate employment, if at all, within 90 days following such Cure Period in order for such termination as a result of such condition to constitute a termination for Good Reason. The Executive's mental or physical incapacity following the occurrence of an event described above in clauses (i) through (v) shall not affect the Executive's ability to terminate employment for Good Reason.

(d) Notice of Termination. Any termination by the Company for Cause, or by the Executive for Good Reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 12(b) of this Agreement. For purposes of this Agreement, a "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated and (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than thirty days after the giving of such notice). The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of the Executive or the Company, respectively, hereunder or preclude the Executive or the Company, respectively, from asserting such fact or circumstance in enforcing the Executive's or the Company's rights hereunder.

(e) Date of Termination. "Date of Termination" means (i) if the Executive's employment is terminated by the Company for Cause, or by the Executive for Good Reason, the date of receipt of the Notice of Termination or any later date specified therein, as the case may be, (ii) if the Executive's employment is terminated by the Company other than for Cause or Disability, the Date of Termination shall be the date on which the Company notifies the Executive of such termination, (iii) if the Executive resigns without Good Reason, the date on which the Executive notifies the Company of such termination and (iv) if the Executive's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of the Executive or the Disability Effective Date, as the case may be. The Company and the Executive shall take all steps necessary (including with regard to any post-termination services by the Executive) to ensure that any termination described in this Section 5 constitutes a "separation from service" within the meaning of Section 409A of the Code, and notwithstanding anything contained herein to the contrary, the date on which such separation from service takes place shall be the "Date of Termination."

6. Obligations of the Company upon Termination. (a) Good Reason; Other Than for Cause, Death or Disability. If, during the Employment Period, the Company shall terminate the Executive's employment other than for Cause or Disability or the Executive shall terminate employment for Good Reason:

(i) the Company shall pay to the Executive in a lump sum in cash within 30 days after the Date of Termination the aggregate of the following amounts:

A. the sum of (1) the Executive's Annual Base Salary through the Date of Termination to the extent not theretofore paid, (2) the Executive's business expenses that are reimbursable pursuant to Section 4(b)(v) but have not been reimbursed by the Company as of the Date of Termination; (3) the Executive's Annual Bonus for the fiscal year immediately preceding the fiscal year in which the Date of Termination occurs, if such bonus has been determined but not paid as of the Date of Termination (at the time such Annual Bonus would otherwise have been paid), but excluding any such Annual Bonus or portion thereof that has been earned but deferred; (4) any accrued vacation pay to the extent not theretofore paid (the sum of the amounts described in subclauses (1), (2), (3) and (4), the "Accrued Obligations") and (5) the product of (x) the higher of (I) the Recent Annual Bonus and (II) the Annual Bonus paid or payable, including any bonus or portion thereof which has been earned but deferred (and annualized for any fiscal year consisting of less than twelve full months or during which the Executive was employed for less than twelve full months), for the most recently completed fiscal year during the Employment Period, if any (such higher amount being referred to as the "Highest Annual Bonus") and (y) a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365 (the "Pro Rata Bonus"); and

B. the amount equal to the product of (1) two and (2) the sum of (x) the Executive's Annual Base Salary and (y) the Highest Annual Bonus; and

C. an amount equal to the product of (1) two and (2) the average annual amount of the Company's contributions on behalf of Executive under all defined contribution plans maintained by the Company or any of the affiliated companies during the three-year period immediately preceding the Change of Control.

(ii) for two years after the Executive's Date of Termination or such longer period as may be provided by the terms of the appropriate plan, program, practice or policy (the "Benefit Continuation Period"), the Company shall provide health care and life insurance benefits to the Executive and/or the Executive's family at least equal to those which would have been provided to them in accordance with the plans, programs, practices and policies providing health care and life insurance benefits and at the benefit level described in Section 4(b)(iv) of this Agreement if the Executive's employment had not been terminated or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies and their families; provided, however, that, the health care benefits provided during the Benefit Continuation Period shall be provided in such a manner that such benefits (and the costs and premiums thereof) are excluded from the Executive's income for federal income tax purposes and, if the Company reasonably determines that providing continued coverage under one or more of its health care benefit plans contemplated herein could be taxable to the Executive, the Company shall provide such benefits at the level required hereby through the purchase of individual insurance coverage; provided, further, however, that if the Executive becomes reemployed with another employer and is eligible to receive health care and life insurance benefits under another employer provided plan, the health care and life insurance benefits described herein shall be secondary to those provided under such other plan during such applicable period of eligibility. Following the end of the Benefit Continuation Period, the Executive shall be eligible for continued health coverage as required by Section 4980B of the Code or other applicable law ("COBRA Coverage"), as if the Executive's employment with the Company had terminated as of the end of such period, and the Company shall take such actions as are necessary to cause such COBRA Coverage not to be offset by the provision of benefits under this Section 6(a)(ii) and to cause the period of COBRA Coverage to commence at the end of the Benefit Continuation Period. For purposes of determining eligibility (but not the time of commencement of benefits) of the Executive for retiree welfare benefits pursuant to the retiree welfare benefit plans, the Executive shall be considered to have remained employed until the end of the Benefit Continuation Period and to have retired on the last day of such period.

(iii) beginning on the Executive's Date of Termination until the end of the Executive's second taxable year following the taxable year of such Date of Termination, the Company shall, at its sole expense as incurred, provide the Executive with outplacement services the scope and provider of which shall be selected by the Executive in his or her sole discretion, *provided*, that the cost of such outplacement services shall not exceed 10% of the Executive's Annual Base Salary; and

(iv) to the extent not theretofore paid or provided, the Company shall pay or provide to the Executive any other amounts or benefits required to be paid or provided or which the Executive is eligible to receive under any plan, program, policy or practice or contract or agreement of the Company and its affiliated companies (such other amounts and benefits shall be hereinafter referred to as the "Other Benefits") in accordance with the terms of the underlying plans or agreements.

(b) Death. If the Executive's employment is terminated by reason of the Executive's death during the Employment Period, this Agreement shall terminate without further obligations to the Executive's legal representatives under this Agreement, other than for payment of Accrued Obligations and the Pro Rata Bonus and the timely payment or provision of Other Benefits. Accrued Obligations and the Pro Rata Bonus shall be paid to the Executive's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(b) shall include, without limitation, and the Executive's estate and/or beneficiaries shall be entitled to receive, benefits at least equal to the most favorable benefits provided by the Company and affiliated companies to the estates and beneficiaries of peer executives of the Company and such affiliated companies under such plans, programs, practices and policies relating to death benefits, if any, as in effect with respect to other peer executives and their beneficiaries at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive's estate and/or the Executive's beneficiaries, as in effect on the date of the Executive's death with respect to other peer executives of the Company and its affiliated companies and their beneficiaries.

(c) Disability. If the Executive's employment is terminated by reason of the Executive's Disability during the Employment Period, this Agreement shall terminate without further obligations to the Executive, other than for payment of Accrued Obligations and the Pro Rata Bonus and the timely payment or provision of Other Benefits in accordance with the terms of the underlying plans or agreements. Accrued Obligations and the Pro Rata Bonus shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(c) shall include, and the Executive shall be entitled after the Disability Effective Date to receive, disability and other benefits at least equal to the most favorable of those generally provided by the Company and its affiliated companies to disabled executives and/or their families in accordance with such plans, programs, practices and policies relating to disability, if any, as in effect generally with respect to other peer executives and their families at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive and/or the Executive's family, as in effect at any time thereafter generally with respect to other peer executives of the Company and its affiliated companies and their families.

(d) Cause; Other than for Good Reason. If the Executive's employment shall be terminated for Cause during the Employment Period, this Agreement shall terminate without further obligations to the Executive other than the obligation to pay to the Executive (x) his or her Annual Base Salary through the Date of Termination and (y) Other Benefits, in each case to the extent theretofore unpaid. If the Executive voluntarily terminates employment during the Employment Period, excluding a termination for Good Reason, this Agreement shall terminate without further obligations to the Executive, other than for Accrued Obligations and the Pro Rata Bonus and the timely payment or provision of Other Benefits. In such case, all Accrued Obligations and the Pro Rata Bonus shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination.

7. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any plan, program, policy or practice provided by the Company or any of its affiliated companies and for which the Executive may qualify, nor, subject to Section 12(f), shall anything herein limit or otherwise affect such rights as the Executive may have under any contract or agreement with the Company or any of its affiliated companies. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company or any of its affiliated companies at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

8. Full Settlement; Legal Fees. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Executive or others. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement and such amounts shall not be reduced whether or not the Executive obtains other employment. The Company agrees to pay as incurred (within 10 days following the Company's receipt of an invoice from the Executive), at any time from the Effective Date of this Agreement through the Executive's remaining lifetime (or, if longer, through the 20th anniversary of the Effective Date), to the full extent permitted by law, all legal fees and expenses which the Executive may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Company, the Executive or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof (including as a result of any contest by the Executive about the amount of any payment pursuant to this Agreement), plus in each case interest on any delayed payment at the applicable federal rate provided for in Section 7872(f)(2)(A) of the Code ("Interest"). In order to comply with Section 409A of the Code, in no event shall the payments by the Company under this Section 8 be made later than the end of the calendar year next following the calendar year in which such fees and expenses were incurred, provided, that the Executive shall have submitted an invoice for such fees and expenses at least 10 days before the end of the calendar year next following the calendar year in which such fees and expenses were incurred. The amount of such legal fees and expenses that the Company is obligated to pay in any given calendar year shall not affect the legal fees and expenses that the Company is obligated to pay in any other calendar year, and the Executive's right to have the Company pay such legal fees and expenses may not be liquidated or exchanged for any other benefit.

9. Cap on Payments. (a) Anything in this Agreement to the contrary notwithstanding and except as set forth below, in the event it shall be determined that any Payment would be subject to the Excise Tax, then the amounts payable under this Agreement shall be reduced so that the Parachute Value of all Payments, in the aggregate, equals the Safe Harbor Amount (the “Cap Reduction”), only if the imposition of the Cap Reduction would result in the Executive receiving a larger Payment (net of all taxes on such Payment) than if the Cap Reduction had not been imposed. The reduction of the amounts payable hereunder, if applicable, shall be made by reducing the payments and benefits under the following sections in the following order: (1) Section 6(a)(i)(B), (2) Section 6(a)(i)(C), (3) Section 6(a)(i)(A)(5) and (4) Section 6(a)(ii). For purposes of reducing the Payments to the Safe Harbor Amount, only amounts payable under this Agreement (and no other Payments) shall be reduced. If the reduction of the amount payable under this Agreement would not result in a reduction of the Parachute Value of all Payments to the Safe Harbor Amount, no amounts payable under the Agreement shall be reduced pursuant to this Section 9(a).

(b) All determinations required to be made under this Section 9 shall be made by Deloitte Tax, LLP, or such other certified public accounting firm as may be designated by the Executive (the “Accounting Firm”) which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the receipt of notice from the Executive that there has been a Payment, or such earlier time as is requested by the Company. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change of Control, the Executive shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any determination by the Accounting Firm shall be binding upon the Company and the Executive.

(c) Definitions. The following terms shall have the following meanings for purposes of this Section 9.

(i) “Excise Tax” shall mean the excise tax imposed by Section 4999 of the Code, together with any interest or penalties imposed with respect to such excise tax.

(ii) “Parachute Value” of a Payment shall mean the present value as of the date of the change of control for purposes of Section 280G of the Code of the portion of such Payment that constitutes a “parachute payment” under Section 280G(b)(2), as determined by the Accounting Firm for purposes of determining whether and to what extent the Excise Tax will apply to such Payment.

(iii) A “Payment” shall mean any payment or distribution in the nature of compensation (within the meaning of Section 280G(b)(2) of the Code) to or for the benefit of the Executive, whether paid or payable pursuant to this Agreement or otherwise.

(iv) The “Safe Harbor Amount” means 2.99 times the Executive’s “base amount,” within the meaning of Section 280G(b)(3) of the Code.

10. Non-Competition, Non-Solicitation and Confidential Information. In consideration of the Payments to be made hereunder:

(a) During the Restriction Period, Executive shall not Compete with the Company, or any of its affiliated companies, regardless of whether Executive is physically located inside or outside the Restricted Area (e.g., Executive cannot be employed by a Competitor whose place of business is outside the Restricted Area but who actually is engaged in a Restricted Business primarily targeted to Persons located inside the Restricted Area); provided Executive is permitted to own up to one percent (1%) of the outstanding capital stock or other equity interests of any publicly-traded Person that is a Competitor.

(b) Unless approved by the President of the Company in advance, during the Restriction Period, Executive shall not, directly or indirectly, solicit the employment of, assist in the soliciting of the employment of, or hire any employee of the Company or any of its affiliated companies, or induce any Person who is an employee, agent or contractor of the Company to terminate such relationship, or to join with the Executive or any other Person for the purpose of leaving the employ or such other relationship with the Company or any of its affiliated companies and undertaking any form of business. The preceding sentence shall not prevent Executive's employer from hiring any employee of the Company who contacts Executive's employer of his or her own initiative in response to advertisements or other general solicitations of employment from Executive's employer.

(c) During the Restriction Period, Executive shall not, directly or indirectly, solicit Customers for any purpose related to the Restricted Business.

(d) The restrictions set forth in Sections 10(b) and 10(c) shall not apply to general advertising or other general solicitations not intended to target employees or Customers of the Company.

(e) The Executive shall hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data relating to the Company or any of its affiliated companies, and their respective businesses, which shall have been obtained by the Executive during the Executive's employment by the Company or any of its affiliated companies and which shall not be or become public knowledge (other than by acts by the Executive or representatives of the Executive in violation of this Agreement). After termination of the Executive's employment with the Company, the Executive shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Company and those designated by it, *provided*, that nothing in this Agreement prohibits the Executive from reporting possible violations of law to any governmental agency or entity or making other disclosures that are protected under the whistleblower provisions of federal, state, or local laws or regulations. In no event shall an asserted violation of the provisions of this Section 10(e) constitute a basis for deferring or withholding any amounts otherwise payable to the Executive under this Agreement.

(f) In the event of Executive's actual or threatened breach of this Section 10, the Company shall be entitled to an injunction restraining Executive therefrom, and shall not be deemed to be the exclusive remedy for any such breach, but shall be in addition to all other remedies at law or in equity. Executive agrees to waive any requirement for the securing or posting of any bond in connection with such remedy. If, at the time of enforcement of this Section 10, a court holds that the restrictions stated herein are unreasonable under circumstances then existing, the parties hereto agree that the maximum period, scope or geographical area reasonable under such circumstances shall be substituted for the stated period, scope or area and that the court shall be allowed to revise the restrictions contained herein to cover the maximum period, scope and area permitted by law.

(g) For purposes of this Section 10, the following terms shall have the respective meanings set forth below:

(i) "Compete" means to, directly or indirectly, own, manage, control or participate in the ownership, management, or control of, or be employed or engaged by or otherwise affiliated or associated as a consultant, independent contractor or otherwise with, any Competitor, or otherwise directly or indirectly engage in any Restricted Business primarily targeted to the Restricted Area.

(ii) "Competitor" means any Person (other than the Company or its affiliated companies) who undertakes any Restricted Business in the Restricted Area, regardless of whether or not the Competitor is physically located inside or outside the Restricted Area.

(iii) "Customer" means any Person who was a customer of, had a contractual relationship with, or was a prospective customer of the Company or its affiliated companies, at any time within the twenty-four (24) month period ending on the Effective Date.

(iv) "Restricted Area" means an area within a fifty (50) mile radius of any Restricted Business owned as of the Effective Date.

(v) "Restricted Business" shall mean any paid or free distribution newspaper, classified advertising or specialty publication business (including any such publication distributed through the Internet) or commercial printing business that Competes with the Company, or any of its affiliated companies, in the Restricted Area.

(vi) "Restriction Period" means the period commencing on the Effective Date and ending on the date that is the first (1st) anniversary of the Effective Date.

11. Successors. (a) This Agreement is personal to the Executive and without the prior written consent of the Company shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution.

(b) This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives. Except as provided in Section 11(c), without the prior written consent of the Executive this Agreement shall not be assignable by the Company.

(c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

12. Miscellaneous. (a) This Agreement shall be governed by and construed in accordance with the laws of the State of Iowa, without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

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

If to the Executive:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If to the Company:

Lee Enterprises, Incorporated  
201 N. Harrison Street, Ste. 600  
Davenport, Iowa 52801-1939  
Attention: General Counsel

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

(c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(d) The Company may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(e) The Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Executive or the Company may have hereunder, including, without limitation, the right of the Executive to terminate employment for Good Reason pursuant to Section 5(c)(i)-(vi) of this Agreement, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(f) The Executive and the Company acknowledge that, except as may otherwise be provided under any other written agreement between the Executive and the Company, the employment of the Executive by the Company is "at will" and, subject to Section 1(a) hereof, prior to the Effective Date, the Executive's employment may be terminated by either the Executive or the Company at any time prior to the Effective Date, in which case the Executive shall have no further rights under this Agreement. From and after the Effective Date this Agreement shall supersede any other agreement between the parties with respect to the subject matter hereof.

(g) Notwithstanding any provision in this Agreement to the contrary, in the event of an Anticipatory Termination, any payments that are deferred compensation within the meaning of Section 409A of the Code that the Company shall be required to pay pursuant to Section 6(a)(i) of this Agreement shall be paid on the date of the Change of Control.

(h) Within the time period permitted by the applicable Treasury Regulations, the Company may, in consultation with the Executive, modify the Agreement, in the least restrictive manner necessary and without any diminution in the value of the payments to the Executive, in order to cause the provisions of the Agreement to comply with the requirements of Section 409A of the Code, so as to avoid the imposition of taxes and penalties on the Executive pursuant to Section 409A of the Code.

(i) Notwithstanding any other provision of this Agreement, if at the time of the Executive's termination of employment, the Executive is a "specified employee," as determined in accordance with Section 409A, any payments and benefits provided under this Agreement that constitute "nonqualified deferred compensation" subject to Section 409A that are provided to the Executive on account of the Executive's separation from service shall not be paid until the first payroll date to occur following the six-month anniversary of the Executive's Date of Termination ("Specified Employee Payment Date"). The aggregate amount of any payments that would otherwise have been made during such six-month period shall be paid in a lump sum on the Specified Employee Payment Date with interest and thereafter, any remaining payments shall be paid without delay in accordance with their original schedule. If the Executive dies before the Specified Employee Payment Date, any delayed payments shall be paid in accordance with Section 6(b).

13. Survivorship. Upon the expiration or other termination of this Agreement or the Executive's employment, the respective rights and obligations of the parties hereto shall survive to the extent necessary to carry out the intentions of the parties under this Agreement.

14. Amendment and Restatement. This Agreement amends and restates that certain Amended and Restated Employment Agreement dated January 10, 2008 by and between the Company and the Executive (the "Previous Agreement") in its entirety, constitutes the entire agreement, and supersedes the Previous Agreement and all other prior agreements and understandings, whether written and oral, among the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the Executive has hereunto set the Executive's hand and, pursuant to the authorization from its Board of Directors, the Company has caused these presents to be executed in its name on its behalf, all as of the day and year first above written.

\_\_\_\_\_

**LEE ENTERPRISES,  
INCORPORATED**

By: \_\_\_\_\_

\_\_\_\_\_  
Chairman, President and Chief  
Executive  
Officer

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement") is made by and between LEE ENTERPRISES, INCORPORATED, a Delaware corporation (the "Company") and \_\_\_\_\_ (the "Executive"), effective as of \_\_\_\_\_, \_\_\_\_\_.

RECITAL:

The Board of Directors of the Company (the "Board"), has determined that it is in the best interests of the Company and its shareholders to assure that the Company will have the continued dedication of the Executive, notwithstanding the possibility, threat or occurrence of a Change of Control (as defined below) of the Company. The Board believes it is imperative to diminish the inevitable distraction of the Executive by virtue of the personal uncertainties and risks created by a pending or threatened Change of Control and to encourage the Executive's full attention and dedication to the Company currently and in the event of any threatened or pending Change of Control, and to provide the Executive with compensation and benefits arrangements upon a Change of Control which ensure that the compensation and benefits expectations of the Executive will be satisfied and which are competitive with those of other corporations. Therefore, in order to accomplish these objectives, the Board has caused the Company to enter into this Agreement.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. Certain Definitions. (a) The "Effective Date" shall mean the first date during the Change of Control Period (as defined in Section 1(b)) on which a Change of Control (as defined in Section 2) occurs. Anything in this Agreement to the contrary notwithstanding, if the Executive's employment with the Company is terminated prior to the date on which the Change of Control occurs, and if it is reasonably demonstrated by the Executive that such termination of employment was (i) at the request of a third party who has taken steps reasonably calculated to effect such Change of Control or (ii) otherwise arose in connection with or anticipation of a Change of Control (such a termination of employment, an "Anticipatory Termination") and if such Change of Control is consummated, then for all purposes of this Agreement the "Effective Date" shall mean the date immediately prior to the date of such termination of employment.

(b) The "Change of Control Period" shall mean the period commencing on the date hereof and ending on the second anniversary of the date hereof; provided, however, that commencing on the date one year after the date hereof, and on each annual anniversary of such date (such date and each annual anniversary thereof shall be hereinafter referred to as the "Renewal Date"), the Change of Control Period shall be automatically extended so as to terminate two (2) years from such Renewal Date, unless at least sixty (60) days prior to the Renewal Date the Company shall give notice to the Executive that the Change of Control Period shall not be so extended.

(c) "Common Stock" shall mean the common stock, par value \$0.01 per share, of the Company.

2. Change of Control. For the purpose of this Agreement, a "Change of Control" shall mean:

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(a) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) (a “Person”) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) (“Beneficial Ownership”) of 15% or more of the Common Stock; provided, however, that for purposes of this subsection (a), the following acquisitions shall not constitute a Change of Control: (i) any acquisition directly from the Company, (ii) any acquisition by the Company, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, (iv) any acquisition by a Person of Beneficial Ownership of less than 25% of the Common Stock if such Person reports, or is required to report such Beneficial Ownership on Schedule 13G under the Exchange Act or Schedule 13D of the Exchange Act (or any comparable or successor report), which Schedule 13D does not state any present intention to (or reserve the right to) hold such Common Stock with the purpose or effect of changing or influencing the control of the Company, nor in connection with or as a participant in any transaction having such purpose or effect, or (v) any acquisition pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (c) of this Section 2; or

(b) Individuals who, as of the date hereof, constitute the Board (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company’s shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(c) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Company or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of the Company or the acquisition of assets or stock of another entity by the Company or any of its subsidiaries (each, a “Business Combination”), in each case, unless, following such Business Combination, (i) all or substantially all of the individuals and entities that were the beneficial owners, respectively, of the Common Stock immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of the Common Stock or, with respect to an entity other than the Company, the then outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors (or, for a non-corporate entity, equivalent governing body) of the entity resulting from such Business Combination (including, without limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Common Stock, (ii) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of the Common Stock or, with respect to an entity other than the Company, the then outstanding shares of common stock of the corporation resulting from such Business Combination (or, for a non-corporate entity, equivalent securities) or the combined voting power of the then outstanding voting securities of such entity, except to the extent that such ownership existed prior to the Business Combination and (iii) at least a majority of the members of the board of directors (or, for a non-corporate entity, equivalent governing body) of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(d) Approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

3. Employment Period. The Company hereby agrees to continue the Executive in its employ, and the Executive hereby agrees to remain in the employ of the Company subject to the terms and conditions of this Agreement, for the period commencing on the Effective Date and ending on the second (2<sup>nd</sup>) anniversary of such date (the "Employment Period").

4. Terms of Employment. (a) Position and Duties. (i) During the Employment Period, (A) the Executive's position (including status, offices, titles and reporting requirements), authority, duties and responsibilities shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned at any time during the 120-day period immediately preceding the Effective Date, (B) the Executive's services shall be performed at the location where the Executive was employed immediately preceding the Effective Date or any office or location less than 35 miles from such location and (C) the Executive shall not be required to travel on Company business to a substantially greater extent than required immediately prior to the Effective Date.

(ii) During the Employment Period, and excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Company and, to the extent necessary to discharge the responsibilities assigned to the Executive hereunder, to use the Executive's reasonable best efforts to perform faithfully and efficiently such responsibilities. During the Employment Period it shall not be a violation of this Agreement for the Executive to (A) serve on corporate, civic or charitable boards or committees, (B) deliver lectures, fulfill speaking engagements or teach at educational institutions and (C) manage personal investments, so long as such activities do not significantly interfere with the performance of the Executive's responsibilities as an employee of the Company in accordance with this Agreement. It is expressly understood and agreed that to the extent that any such activities have been conducted by the Executive prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date shall not thereafter be deemed to interfere with the performance of the Executive's responsibilities to the Company.

(b) Compensation. (i) Base Salary. During the Employment Period, the Executive shall receive an annual base salary ("Annual Base Salary"), which shall be paid at a monthly rate, at least equal to twelve times the highest monthly base salary paid or payable, including any base salary which has been earned but deferred, to the Executive by the Company and its affiliated companies in respect of the twelve-month period immediately preceding the month in which the Effective Date occurs. The Annual Base Salary shall be paid at such intervals as the Company pays executive salaries generally. During the Employment Period, the Annual Base Salary shall be reviewed no more than 12 months after the last salary increase awarded to the Executive prior to the Effective Date and thereafter at least annually. Any increase in Annual Base Salary shall not serve to limit or reduce any other obligation to the Executive under this Agreement. Annual Base Salary shall not be reduced after any such increase and the term Annual Base Salary as utilized in this Agreement shall refer to Annual Base Salary as so increased. As used in this Agreement, the term "affiliated companies" shall include any company controlled by, controlling or under common control with the Company.

(ii) Annual Bonus. In addition to Annual Base Salary, the Executive shall be awarded, for each fiscal year ending during the Employment Period, an annual bonus (the "Annual Bonus") in cash at least equal to the Executive's highest bonus under the Company's annual incentive plan, or any comparable bonus under any predecessor or successor plan, for the last three full fiscal years prior to the Effective Date (or for such lesser number of full fiscal years prior to the Effective Date for which the Executive was eligible to earn such a bonus, and annualized in the case of any pro rata bonus earned for a partial fiscal year) (the "Recent Annual Bonus"). (If the Executive has not been eligible to earn such a bonus for any period prior to the Effective Date, the "Recent Annual Bonus" shall mean the Executive's target annual bonus for the year in which the Effective Date occurs.) Unless the Executive shall elect to defer the receipt of such Annual Bonus pursuant to an arrangement that meets the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and the regulations promulgated thereunder ("Section 409A"), each such Annual Bonus shall be paid in a single sum on or before the 15<sup>th</sup> day of the third month following the end of the fiscal year in which the services are rendered that give rise to the Annual Bonus. To elect to defer receipt of an Annual Bonus in accordance with the preceding sentence, the Executive is required to make his or her election to defer an Annual Bonus by no later than the last day of the Company's fiscal year prior to the fiscal year in which the services are rendered which give rise to the Annual Bonus.

(iii) Incentive, Savings and Retirement Plans. During the Employment Period, the Executive shall be entitled to participate in all incentive, savings and retirement plans, practices, policies and programs applicable generally to other peer executives of the Company and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Executive with incentive opportunities (measured with respect to both regular and special incentive opportunities, to the extent, if any, that such distinction is applicable), savings opportunities and retirement benefit opportunities, in each case, less favorable, in the aggregate, than the most favorable of those provided by the Company and its affiliated companies for the Executive under such plans, practices, policies and programs as in effect at any time during the 120-day period immediately preceding the Effective Date or if more favorable to the Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and its affiliated companies.

(iv) Welfare Benefit Plans. During the Employment Period, the Executive and/or the Executive's family, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare benefit plans, practices, policies and programs provided by the Company and its affiliated companies (including, without limitation, medical, prescription, dental, disability, employee life, group life, accidental death and travel accident insurance plans and programs) to the extent applicable generally to other peer executives of the Company and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Executive with benefits which are less favorable, in the aggregate, than the most favorable of such plans, practices, policies and programs in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and its affiliated companies.

(v) Expenses. During the Employment Period, the Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive in accordance with the most favorable policies, practices and procedures of the Company and its affiliated companies in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(vi) Fringe Benefits. During the Employment Period, the Executive shall be entitled to fringe benefits, including, without limitation, tax and financial planning services, payment of club dues, and, if applicable, use of an automobile and payment of related expenses, in accordance with the most favorable plans, practices, programs and policies of the Company and its affiliated companies in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(vii) Office and Support Staff. During the Employment Period, the Executive shall be entitled to an office or offices of a size and with furnishings and other appointments, and to exclusive personal secretarial and other assistance, at least equal to the most favorable of the foregoing provided to the Executive by the Company and its affiliated companies at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as provided generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(viii) Vacation. During the Employment Period, the Executive shall be entitled to paid vacation in accordance with the most favorable plans, policies, programs and practices of the Company and its affiliated companies as in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

5. Termination of Employment. (a) Death or Disability. The Executive's employment shall terminate automatically upon the Executive's death during the Employment Period. If the Company determines in good faith that the Disability of the Executive has occurred during the Employment Period (pursuant to the definition of Disability set forth below), it may give to the Executive written notice in accordance with Section 12(b) of this Agreement of its intention to terminate the Executive's employment. In such event, the Executive's employment with the Company shall terminate effective on the 30th day after receipt of such notice by the Executive (the "Disability Effective Date"), provided that, within the 30 days after such receipt, the Executive shall not have returned to full-time performance of the Executive's duties. For purposes of this Agreement, "Disability" shall mean the absence of the Executive from the Executive's duties with the Company on a full-time basis for 180 consecutive business days as a result of incapacity due to mental or physical illness which is determined to be total and permanent by a physician selected by the Company or its insurers and acceptable to the Executive or the Executive's legal representative.

(b) Cause. The Company may terminate the Executive's employment during the Employment Period for Cause. For purposes of this Agreement, "Cause" shall mean:

(i) the willful and continued failure of the Executive to perform substantially the Executive's duties with the Company or one of its affiliates (other than any such failure resulting from incapacity due to physical or mental illness or following the Executive's delivery of a Notice of Termination for Good Reason), after a written demand for substantial performance is delivered to the Executive by the Board or the Chief Executive Officer of the Company which specifically identifies the manner in which the Board or Chief Executive Officer of the Company believes that the Executive has not substantially performed the Executive's duties, or

(ii) the willful engaging by the Executive in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Company.

For purposes of this provision, no act or failure to act, on the part of the Executive, shall be considered “willful” unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive’s action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board, or if the Company is not the ultimate parent corporation of the affiliated companies and is not publicly-traded, the board of directors of the ultimate parent of the Company (the “Applicable Board”) or upon the instructions of the Chief Executive Officer of the Company or a senior officer of the Company or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company. The cessation of employment of the Executive shall not be deemed to be for Cause unless and until there shall have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Applicable Board (excluding the Executive, if the Executive is a member of the Applicable Board) at a meeting of the Applicable Board called and held for such purpose (after reasonable notice is provided to the Executive and the Executive is given an opportunity, together with counsel for the Executive, to be heard before the Applicable Board), finding that, in the good faith opinion of the Applicable Board, the Executive is guilty of the conduct described in subparagraph (i) or (ii) above, and specifying the particulars thereof in detail.

(c) Good Reason. The Executive’s employment may be terminated during the Employment Period by the Executive for Good Reason or by the Executive voluntarily without Good Reason, in accordance with the notice requirements of Section 5(d). For purposes of this Agreement, “Good Reason” means actions taken by the Company resulting in a material negative change in the employment relationship. For these purposes, a “material negative change in the employment relationship” shall include, without limitation:

(i) the assignment to the Executive of duties materially inconsistent with the Executive’s position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by Section 4(a) of this Agreement, or a material diminution in such position, authority, duties or responsibilities or a material diminution in the budget over which the Executive retains authority;

(ii) a material diminution in the authorities, duties or responsibilities of the person to whom the Executive is required to report, including a requirement that the Executive report to an officer or employee instead of reporting directly to the Applicable Board;

(iii) a reduction of five (5) percent or greater of (A) any element of the compensation and benefits required to be provided to the Executive in accordance with any of the provisions of Section 4(b); (B) the Executive’s aggregate annual cash compensation, which for this purpose shall include, without limitation, Base Salary and Annual Bonus; or (C) the benefits, in the aggregate, required to be provided to the Executive in accordance with the provisions of this Agreement;

(iv) the Company’s requiring the Executive (A) to be based at any office or location other than as provided in Section 4(a)(i)(B) hereof resulting in a material increase in the Executive’s commute to and from the Executive’s primary residence (for this purpose an increase in the Executive’s commute by 30 miles or more shall be deemed material) or (B) to be based at a location other than the principal executive offices of the Company if the Executive was employed at such location immediately preceding the Effective Date;

- (v) any other action or inaction that constitutes a material breach by the Company of this Agreement; or
- (vi) any failure by the Company to comply with and satisfy Section 11(c) of this Agreement.

In order to invoke a termination for Good Reason, the Executive shall provide written notice to the Company of the existence of one or more of the conditions described in clauses (i) through (vi) within 90 days following the Executive's knowledge of the initial existence of such condition or conditions, and the Company shall have 30 days following receipt of such written notice (the "Cure Period") during which it may remedy the condition. In the event that the Company fails to remedy the condition constituting Good Reason during the applicable Cure Period, the Executive must terminate employment, if at all, within 90 days following such Cure Period in order for such termination as a result of such condition to constitute a termination for Good Reason. The Executive's mental or physical incapacity following the occurrence of an event described above in clauses (i) through (v) shall not affect the Executive's ability to terminate employment for Good Reason.

(d) Notice of Termination. Any termination by the Company for Cause, or by the Executive for Good Reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 12(b) of this Agreement. For purposes of this Agreement, a "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated and (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than thirty days after the giving of such notice). The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of the Executive or the Company, respectively, hereunder or preclude the Executive or the Company, respectively, from asserting such fact or circumstance in enforcing the Executive's or the Company's rights hereunder.

(e) Date of Termination. "Date of Termination" means (i) if the Executive's employment is terminated by the Company for Cause, or by the Executive for Good Reason, the date of receipt of the Notice of Termination or any later date specified therein, as the case may be, (ii) if the Executive's employment is terminated by the Company other than for Cause or Disability, the Date of Termination shall be the date on which the Company notifies the Executive of such termination, (iii) if the Executive resigns without Good Reason, the date on which the Executive notifies the Company of such termination and (iv) if the Executive's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of the Executive or the Disability Effective Date, as the case may be. The Company and the Executive shall take all steps necessary (including with regard to any post-termination services by the Executive) to ensure that any termination described in this Section 5 constitutes a "separation from service" within the meaning of Section 409A of the Code, and notwithstanding anything contained herein to the contrary, the date on which such separation from service takes place shall be the "Date of Termination."

6. Obligations of the Company upon Termination. (a) Good Reason; Other Than for Cause, Death or Disability. If, during the Employment Period, the Company shall terminate the Executive's employment other than for Cause or Disability or the Executive shall terminate employment for Good Reason:

(i) the Company shall pay to the Executive in a lump sum in cash within 30 days after the Date of Termination the aggregate of the following amounts:

A. the sum of (1) the Executive's Annual Base Salary through the Date of Termination to the extent not theretofore paid, (2) the Executive's business expenses that are reimbursable pursuant to Section 4(b)(v) but have not been reimbursed by the Company as of the Date of Termination; (3) the Executive's Annual Bonus for the fiscal year immediately preceding the fiscal year in which the Date of Termination occurs, if such bonus has been determined but not paid as of the Date of Termination (at the time such Annual Bonus would otherwise have been paid), but excluding any such Annual Bonus or portion thereof that has been earned but deferred; (4) any accrued vacation pay to the extent not theretofore paid (the sum of the amounts described in subclauses (1), (2), (3) and (4), the "Accrued Obligations") and (5) the product of (x) the higher of (I) the Recent Annual Bonus and (II) the Annual Bonus paid or payable, including any bonus or portion thereof which has been earned but deferred (and annualized for any fiscal year consisting of less than twelve full months or during which the Executive was employed for less than twelve full months), for the most recently completed fiscal year during the Employment Period, if any (such higher amount being referred to as the "Highest Annual Bonus") and (y) a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365 (the "Pro Rata Bonus"); and

B. the amount equal to the sum of (x) the Executive's Annual Base Salary and (y) the Highest Annual Bonus;  
and

C. an amount equal to the average annual amount of the Company's contributions on behalf of Executive under all defined contribution plans maintained by the Company or any of the affiliated companies during the three-year period immediately preceding the Change of Control.

(ii) for one year after the Executive's Date of Termination or such longer period as may be provided by the terms of the appropriate plan, program, practice or policy (the "Benefit Continuation Period"), the Company shall provide health care and life insurance benefits to the Executive and/or the Executive's family at least equal to those which would have been provided to them in accordance with the plans, programs, practices and policies providing health care and life insurance benefits and at the benefit level described in Section 4(b)(iv) of this Agreement if the Executive's employment had not been terminated or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies and their families; provided, however, that, the health care benefits provided during the Benefit Continuation Period shall be provided in such a manner that such benefits (and the costs and premiums thereof) are excluded from the Executive's income for federal income tax purposes and, if the Company reasonably determines that providing continued coverage under one or more of its health care benefit plans contemplated herein could be taxable to the Executive, the Company shall provide such benefits at the level required hereby through the purchase of individual insurance coverage; provided, further, however, that if the Executive becomes reemployed with another employer and is eligible to receive health care and life insurance benefits under another employer provided plan, the health care and life insurance benefits described herein shall be secondary to those provided under such other plan during such applicable period of eligibility. Following the end of the Benefit Continuation Period, the Executive shall be eligible for continued health coverage as required by Section 4980B of the Code or other applicable law ("COBRA Coverage"), as if the Executive's employment with the Company had terminated as of the end of such period, and the Company shall take such actions as are necessary to cause such COBRA Coverage not to be offset by the provision of benefits under this Section 6(a)(ii) and to cause the period of COBRA Coverage to commence at the end of the Benefit Continuation Period. For purposes of determining eligibility (but not the time of commencement of benefits) of the Executive for retiree welfare benefits pursuant to the retiree welfare benefit plans, the Executive shall be considered to have remained employed until the end of the Benefit Continuation Period and to have retired on the last day of such period.

(iii) beginning on the Executive's Date of Termination until the end of the Executive's second taxable year following the taxable year of such Date of Termination, the Company shall, at its sole expense as incurred, provide the Executive with outplacement services the scope and provider of which shall be selected by the Executive in his or her sole discretion, *provided*, that the cost of such outplacement services shall not exceed 10% of the Executive's Annual Base Salary; and

(iv) to the extent not theretofore paid or provided, the Company shall pay or provide to the Executive any other amounts or benefits required to be paid or provided or which the Executive is eligible to receive under any plan, program, policy or practice or contract or agreement of the Company and its affiliated companies (such other amounts and benefits shall be hereinafter referred to as the "Other Benefits") in accordance with the terms of the underlying plans or agreements.

(b) Death. If the Executive's employment is terminated by reason of the Executive's death during the Employment Period, this Agreement shall terminate without further obligations to the Executive's legal representatives under this Agreement, other than for payment of Accrued Obligations and the Pro Rata Bonus and the timely payment or provision of Other Benefits. Accrued Obligations and the Pro Rata Bonus shall be paid to the Executive's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(b) shall include, without limitation, and the Executive's estate and/or beneficiaries shall be entitled to receive, benefits at least equal to the most favorable benefits provided by the Company and affiliated companies to the estates and beneficiaries of peer executives of the Company and such affiliated companies under such plans, programs, practices and policies relating to death benefits, if any, as in effect with respect to other peer executives and their beneficiaries at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive's estate and/or the Executive's beneficiaries, as in effect on the date of the Executive's death with respect to other peer executives of the Company and its affiliated companies and their beneficiaries.

(c) Disability. If the Executive's employment is terminated by reason of the Executive's Disability during the Employment Period, this Agreement shall terminate without further obligations to the Executive, other than for payment of Accrued Obligations and the Pro Rata Bonus and the timely payment or provision of Other Benefits in accordance with the terms of the underlying plans or agreements. Accrued Obligations and the Pro Rata Bonus shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(c) shall include, and the Executive shall be entitled after the Disability Effective Date to receive, disability and other benefits at least equal to the most favorable of those generally provided by the Company and its affiliated companies to disabled executives and/or their families in accordance with such plans, programs, practices and policies relating to disability, if any, as in effect generally with respect to other peer executives and their families at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive and/or the Executive's family, as in effect at any time thereafter generally with respect to other peer executives of the Company and its affiliated companies and their families.

(d) Cause; Other than for Good Reason. If the Executive's employment shall be terminated for Cause during the Employment Period, this Agreement shall terminate without further obligations to the Executive other than the obligation to pay to the Executive (x) his or her Annual Base Salary through the Date of Termination and (y) Other Benefits, in each case to the extent theretofore unpaid. If the Executive voluntarily terminates employment during the Employment Period, excluding a termination for Good Reason, this Agreement shall terminate without further obligations to the Executive, other than for Accrued Obligations and the Pro Rata Bonus and the timely payment or provision of Other Benefits. In such case, all Accrued Obligations and the Pro Rata Bonus shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination.

7. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any plan, program, policy or practice provided by the Company or any of its affiliated companies and for which the Executive may qualify, nor, subject to Section 12(f), shall anything herein limit or otherwise affect such rights as the Executive may have under any contract or agreement with the Company or any of its affiliated companies. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company or any of its affiliated companies at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

8. Full Settlement; Legal Fees. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Executive or others. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement and such amounts shall not be reduced whether or not the Executive obtains other employment. The Company agrees to pay as incurred (within 10 days following the Company's receipt of an invoice from the Executive), at any time from the Effective Date of this Agreement through the Executive's remaining lifetime (or, if longer, through the 20th anniversary of the Effective Date), to the full extent permitted by law, all legal fees and expenses which the Executive may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Company, the Executive or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof (including as a result of any contest by the Executive about the amount of any payment pursuant to this Agreement), plus in each case interest on any delayed payment at the applicable federal rate provided for in Section 7872(f)(2)(A) of the Code ("Interest"). In order to comply with Section 409A of the Code, in no event shall the payments by the Company under this Section 8 be made later than the end of the calendar year next following the calendar year in which such fees and expenses were incurred, provided, that the Executive shall have submitted an invoice for such fees and expenses at least 10 days before the end of the calendar year next following the calendar year in which such fees and expenses were incurred. The amount of such legal fees and expenses that the Company is obligated to pay in any given calendar year shall not affect the legal fees and expenses that the Company is obligated to pay in any other calendar year, and the Executive's right to have the Company pay such legal fees and expenses may not be liquidated or exchanged for any other benefit.

9. Cap on Payments. (a) Anything in this Agreement to the contrary notwithstanding and except as set forth below, in the event it shall be determined that any Payment would be subject to the Excise Tax, then the amounts payable under this Agreement shall be reduced so that the Parachute Value of all Payments, in the aggregate, equals the Safe Harbor Amount (the “Cap Reduction”), only if the imposition of the Cap Reduction would result in the Executive receiving a larger Payment (net of all taxes on such Payment) than if the Cap Reduction had not been imposed. The reduction of the amounts payable hereunder, if applicable, shall be made by reducing the payments and benefits under the following sections in the following order: (1) Section 6(a)(i)(B), (2) Section 6(a)(i)(C), (3) Section 6(a)(i)(A)(5) and (4) Section 6(a)(ii). For purposes of reducing the Payments to the Safe Harbor Amount, only amounts payable under this Agreement (and no other Payments) shall be reduced. If the reduction of the amount payable under this Agreement would not result in a reduction of the Parachute Value of all Payments to the Safe Harbor Amount, no amounts payable under the Agreement shall be reduced pursuant to this Section 9(a).

(b) All determinations required to be made under this Section 9 shall be made by Deloitte Tax, LLP, or such other certified public accounting firm as may be designated by the Executive (the “Accounting Firm”) which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the receipt of notice from the Executive that there has been a Payment, or such earlier time as is requested by the Company. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change of Control, the Executive shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any determination by the Accounting Firm shall be binding upon the Company and the Executive.

(c) Definitions. The following terms shall have the following meanings for purposes of this Section 9.

(i) “Excise Tax” shall mean the excise tax imposed by Section 4999 of the Code, together with any interest or penalties imposed with respect to such excise tax.

(ii) “Parachute Value” of a Payment shall mean the present value as of the date of the change of control for purposes of Section 280G of the Code of the portion of such Payment that constitutes a “parachute payment” under Section 280G(b)(2), as determined by the Accounting Firm for purposes of determining whether and to what extent the Excise Tax will apply to such Payment.

(iii) A “Payment” shall mean any payment or distribution in the nature of compensation (within the meaning of Section 280G(b)(2) of the Code) to or for the benefit of the Executive, whether paid or payable pursuant to this Agreement or otherwise.

(iv) The “Safe Harbor Amount” means 2.99 times the Executive’s “base amount,” within the meaning of Section 280G(b)(3) of the Code.

10. Non-Competition, Non-Solicitation and Confidential Information. In consideration of the Payments to be made hereunder:

(a) During the Restriction Period, Executive shall not Compete with the Company, or any of its affiliated companies, regardless of whether Executive is physically located inside or outside the Restricted Area (e.g., Executive cannot be employed by a Competitor whose place of business is outside the Restricted Area but who actually is engaged in a Restricted Business primarily targeted to Persons located inside the Restricted Area); provided Executive is permitted to own up to one percent (1%) of the outstanding capital stock or other equity interests of any publicly-traded Person that is a Competitor.

(b) Unless approved by the President of the Company in advance, during the Restriction Period, Executive shall not, directly or indirectly, solicit the employment of, assist in the soliciting of the employment of, or hire any employee of the Company or any of its affiliated companies, or induce any Person who is an employee, agent or contractor of the Company to terminate such relationship, or to join with the Executive or any other Person for the purpose of leaving the employ or such other relationship with the Company or any of its affiliated companies and undertaking any form of business. The preceding sentence shall not prevent Executive's employer from hiring any employee of the Company who contacts Executive's employer of his or her own initiative in response to advertisements or other general solicitations of employment from Executive's employer.

(c) During the Restriction Period, Executive shall not, directly or indirectly, solicit Customers for any purpose related to the Restricted Business.

(d) The restrictions set forth in Sections 10(b) and 10(c) shall not apply to general advertising or other general solicitations not intended to target employees or Customers of the Company.

(e) The Executive shall hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data relating to the Company or any of its affiliated companies, and their respective businesses, which shall have been obtained by the Executive during the Executive's employment by the Company or any of its affiliated companies and which shall not be or become public knowledge (other than by acts by the Executive or representatives of the Executive in violation of this Agreement). After termination of the Executive's employment with the Company, the Executive shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Company and those designated by it, *provided*, that nothing in this Agreement prohibits the Executive from reporting possible violations of law to any governmental agency or entity or making other disclosures that are protected under the whistleblower provisions of federal, state, or local laws or regulations. In no event shall an asserted violation of the provisions of this Section 10(e) constitute a basis for deferring or withholding any amounts otherwise payable to the Executive under this Agreement.

(f) In the event of Executive's actual or threatened breach of this Section 10, the Company shall be entitled to an injunction restraining Executive therefrom, and shall not be deemed to be the exclusive remedy for any such breach, but shall be in addition to all other remedies at law or in equity. Executive agrees to waive any requirement for the securing or posting of any bond in connection with such remedy. If, at the time of enforcement of this Section 10, a court holds that the restrictions stated herein are unreasonable under circumstances then existing, the parties hereto agree that the maximum period, scope or geographical area reasonable under such circumstances shall be substituted for the stated period, scope or area and that the court shall be allowed to revise the restrictions contained herein to cover the maximum period, scope and area permitted by law.

(g) For purposes of this Section 10, the following terms shall have the respective meanings set forth below:

(i) "Compete" means to, directly or indirectly, own, manage, control or participate in the ownership, management, or control of, or be employed or engaged by or otherwise affiliated or associated as a consultant, independent contractor or otherwise with, any Competitor, or otherwise directly or indirectly engage in any Restricted Business primarily targeted to the Restricted Area.

(ii) "Competitor" means any Person (other than the Company or its affiliated companies) who undertakes any Restricted Business in the Restricted Area, regardless of whether or not the Competitor is physically located inside or outside the Restricted Area.

(iii) "Customer" means any Person who was a customer of, had a contractual relationship with, or was a prospective customer of the Company or its affiliated companies, at any time within the twenty-four (24) month period ending on the Effective Date.

(iv) "Restricted Area" means an area within a fifty (50) mile radius of any Restricted Business owned as of the Effective Date.

(v) "Restricted Business" shall mean any paid or free distribution newspaper, classified advertising or specialty publication business (including any such publication distributed through the Internet) or commercial printing business that Competes with the Company, or any of its affiliated companies, in the Restricted Area.

(vi) "Restriction Period" means the period commencing on the Effective Date and ending on the date that is the first (1st) anniversary of the Effective Date.

11. Successors. (a) This Agreement is personal to the Executive and without the prior written consent of the Company shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution.

(b) This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives. Except as provided in Section 11(c), without the prior written consent of the Executive this Agreement shall not be assignable by the Company.

(c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

12. Miscellaneous. (a) This Agreement shall be governed by and construed in accordance with the laws of the State of Iowa, without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

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

If to the Executive:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If to the Company:

Lee Enterprises, Incorporated  
201 N. Harrison Street, Ste. 600  
Davenport, Iowa 52801-1939  
Attention: General Counsel

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

(c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(d) The Company may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(e) The Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Executive or the Company may have hereunder, including, without limitation, the right of the Executive to terminate employment for Good Reason pursuant to Section 5(c)(i)-(vi) of this Agreement, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(f) The Executive and the Company acknowledge that, except as may otherwise be provided under any other written agreement between the Executive and the Company, the employment of the Executive by the Company is "at will" and, subject to Section 1(a) hereof, prior to the Effective Date, the Executive's employment may be terminated by either the Executive or the Company at any time prior to the Effective Date, in which case the Executive shall have no further rights under this Agreement. From and after the Effective Date this Agreement shall supersede any other agreement between the parties with respect to the subject matter hereof.

(g) Notwithstanding any provision in this Agreement to the contrary, in the event of an Anticipatory Termination, any payments that are deferred compensation within the meaning of Section 409A of the Code that the Company shall be required to pay pursuant to Section 6(a)(i) of this Agreement shall be paid on the date of the Change of Control.

(h) Within the time period permitted by the applicable Treasury Regulations, the Company may, in consultation with the Executive, modify the Agreement, in the least restrictive manner necessary and without any diminution in the value of the payments to the Executive, in order to cause the provisions of the Agreement to comply with the requirements of Section 409A of the Code, so as to avoid the imposition of taxes and penalties on the Executive pursuant to Section 409A of the Code.

(i) Notwithstanding any other provision of this Agreement, if at the time of the Executive's termination of employment, the Executive is a "specified employee," as determined in accordance with Section 409A, any payments and benefits provided under this Agreement that constitute "nonqualified deferred compensation" subject to Section 409A that are provided to the Executive on account of the Executive's separation from service shall not be paid until the first payroll date to occur following the six-month anniversary of the Executive's Date of Termination ("Specified Employee Payment Date"). The aggregate amount of any payments that would otherwise have been made during such six-month period shall be paid in a lump sum on the Specified Employee Payment Date with interest and thereafter, any remaining payments shall be paid without delay in accordance with their original schedule. If the Executive dies before the Specified Employee Payment Date, any delayed payments shall be paid in accordance with Section 6(b).

13. Survivorship. Upon the expiration or other termination of this Agreement or the Executive's employment, the respective rights and obligations of the parties hereto shall survive to the extent necessary to carry out the intentions of the parties under this Agreement.

[Remainder of Page Intentionally Left Blank – Signature Page Follows]

IN WITNESS WHEREOF, the Executive has hereunto set the Executive's hand and, pursuant to the authorization from its Board of Directors, the Company has caused these presents to be executed in its name on its behalf, all as of the day and year first above written.

\_\_\_\_\_

**LEE ENTERPRISES,  
INCORPORATED**

By: \_\_\_\_\_

\_\_\_\_\_  
Executive Vice President and Chief  
Operating  
Officer



201 N. Harrison St.  
Davenport, IA 52801  
[www.lee.net](http://www.lee.net)

NEWS RELEASE

## Lee Enterprises reports fourth quarter earnings

DAVENPORT, Iowa (December 10, 2015) — Lee Enterprises, Incorporated (NYSE: LEE), a major provider of local news, information and advertising in 50 markets, today reported preliminary<sup>(1)</sup> results for its fourth fiscal quarter and fiscal year ended September 27, 2015.

Fourth quarter financial highlights include:

- Fourth quarter operating cash flow<sup>(2)</sup> growth of 5.0% and 7.5% adjusted EBITDA<sup>(2)</sup> growth.
- Subscription revenue increased 6.1% excluding the subscription-related expense reclassification.
- Total digital revenue, including subscription and TownNews, grew 23.9%.
- Digital ad revenue was up 5.1%, representing 21.6% of total advertising revenue in the quarter.
- Mobile advertising revenue, which is included in digital advertising, increased 10.6%.
- Digital services revenue, primarily TownNews, increased 11.3% to \$3.3 million.
- Overall revenue on a comparable basis decreased 4.4% in fourth quarter, which is an improvement from the June quarterly trend. Total advertising and marketing services revenue decreased 9.0%.
- Total cash costs excluding the subscription-related expense reclassification and workforce adjustment costs decreased 7.8%, exceeding previously announced guidance of down 5.5%-6.0%.

"We are very pleased with our fourth quarter results, especially our cash flow growth," Mary Junck, chairman and chief executive officer said. "We continue to see revenue growth in digital advertising, digital services, and subscription revenue from our full access and premium day initiatives as compared to the same quarter of the prior year. These growing revenue categories made up almost 47% of our total revenue, for the quarter."

Junck said several key initiatives launched in 2015 helped drive fourth quarter results and also should impact 2016. Those include:

- Accelerating digital revenue growth with expanded audience reach and advertising services.
- Redesigning all of our products including mobile, desktop and print throughout 2016 to improve reader engagement, drive revenue and provide cost efficiencies.
- Phase 2 of the Lee Design Centers through the "daVinci Project."
- Implemented a sweeps program that drives programmatic digital advertising revenue by increasing page views and reader engagement at attractive advertising rates.
- Circulation revenue growth with continued increases in digital subscription activation along with selective price increases and premium days.

"We have very strong local audiences across all age groups," Junck said. "In the markets we serve, we reach 76% of adults with our print and digital platforms, including more than 70% of those under forty years old. We'll continue to refine and develop our products to best meet the needs of our readers and provide large, relevant audiences to our advertisers — both print and digital."

"We also had outstanding results at two of our larger newspaper subsidiaries — Madison Newspapers<sup>(3)</sup> (MNI) and Tucson Newspapers<sup>(3)</sup> (TNI), which are accounted for under the equity method," Junck added. "Combined, our share of EBITDA from these operations for the quarter grew 4.3% in the fourth quarter of

2015. The company received \$2.9 million in dividends from MNI and TNI in the quarter and \$11.0 million for the year."

Earnings of 18 cents per diluted common share were reported for the quarter compared to earnings of 6 cents a year ago. Excluding unusual matters, adjusted earnings per diluted common share<sup>(2)</sup> totaled 10 cents, compared with earnings of 2 cents a year ago.

Ron Mayo, chief financial officer and treasurer, said the company will continue to use substantially all of its free cash flow<sup>(2)</sup> to reduce debt and strengthen the company's capital structure.

"We reduced debt by \$19.1 million in the fourth quarter and \$78.9 million in the 2015 fiscal year," he said. "And, we expect to continue to repay debt at a similar pace in 2016."

Mayo also noted:

- As of September 27, 2015, the principal amount of debt was \$725.9 million.
- Interest expense to be settled in cash was reduced \$4.9 million in 2015 as a result of debt reductions, which provides additional free cash flow that will be used for future debt reductions.
- Approximately \$3.3 million of the September quarter Pulitzer excess cash flow payment was not rejected, and accordingly, in November of 2015, \$3.3 million of 2nd Lien Term Loan<sup>(3)</sup> was repaid at par.

"Lee also has more than \$10 million of real estate assets listed for sale, including properties in Bloomington, Illinois; Portage, Wisconsin; and St. Louis, Missouri at September 27, 2015," Mayo said. "In October 2015, we closed the sale of the Provo, Utah land and building, netting \$2.3 million, which was used to repay the 2nd Lien Term Loan at par."

"In 2015, we exceeded cash costs guidance, and we'll continue to implement our business transformation and related cost reductions in the coming year," Mayo said. "In fiscal year 2016, we expect cash cost reductions, as compared to the prior year, to be in the 3.5% to 4.0% range."

#### FOURTH QUARTER OPERATING RESULTS

Operating revenue for the 13 weeks ended September 27, 2015 totaled \$156.1 million, a decrease of 4.3% compared with a year ago. Excluding the impact of the subscription-related expense reclassification, operating revenue decreased 4.4%. The delivery expense reclassification increases both print subscription revenue and other operating expenses with no impact on operating cash flow<sup>(2)</sup> or operating income. Certain delivery expenses were previously reported as a reduction of revenue. Tables later in this release detail the impact of the reclassification on revenue and cash costs.

Advertising and marketing services revenue combined decreased 9.0% to \$97.3 million, with retail advertising down 7.1%, classified down 13.9% and national down 11.7%. Digital advertising and marketing services revenue on a stand-alone basis increased 5.1% to \$21.0 million.

Subscription revenue increased 5.4%. Excluding the impact of the subscription-related expense reclassification, subscription revenue increased 6.1%.

Average daily newspaper circulation, including TNI and MNI and digital subscribers, totaled 0.9 million in the 13 weeks ended September 27, 2015. Sunday circulation totaled 1.3 million.

Total digital revenue, including advertising, marketing services, subscriptions and digital businesses, totaled \$31.1 million in the quarter, up 23.9%, and represents 19.9% of total operating revenue.

Cash costs decreased 6.8% for the 13 weeks ended September 27, 2015. Excluding the impact of the subscription-related expense reclassification and workforce adjustments, cash costs decreased 7.8% for the 13 weeks ended September 27, 2015, exceeding guidance of down 5.5%-6.0%. Compensation decreased 6.7%, primarily as a result of reduced staffing levels. Newsprint and ink expense decreased 28.6%, primarily the result of lower newsprint prices and a reduction in newsprint volume of 11.3%. Other operating expenses

decreased 5.4%. The acceleration of cost reductions in the second half of fiscal year 2015 is expected to have a favorable impact on the fiscal year 2016 cash costs.

Operating cash flow increased 5.0% from a year ago to \$35.4 million. Excluding workforce adjustments, operating cash flow increased 8.0%. Operating cash flow margin<sup>(2)</sup> increased to 22.7%, compared to 20.7% a year ago. Including equity in earnings of associated companies, depreciation and amortization, as well as unusual matters in both years, operating income totaled \$26.8 million in the current year quarter, compared with \$20.7 million a year ago. Adjusted EBITDA for the quarter was \$40.0 million, a 7.5% increase over prior year.

Non-operating expenses decreased 17.2% for the 13 weeks ended September 27, 2015. Interest expense decreased 8.5%, or \$1.6 million, due to lower debt balances. We also recognized \$6.9 million and \$5.5 million of non-operating income in the current year quarter and prior year quarter, respectively, due to the change in fair value of stock warrants issued in connection with our refinancing in 2014. Partially offsetting those expense reductions, we expensed \$1.4 million of debt refinancing costs in the current year quarter compared to \$1.0 million in the prior year quarter. Income attributable to Lee Enterprises, Incorporated for the quarter totaled \$9.9 million, compared with income of \$3.2 million a year ago.

#### ADJUSTED EARNINGS AND EPS FOR THE QUARTER

The following table summarizes the impact from unusual matters on income attributable to Lee Enterprises, Incorporated and earnings per diluted common share. Per share amounts may not add due to rounding.

	13 Weeks Ended			
	September 27 2015		September 28 2014	
<i>(Thousands of Dollars, Except Per Share Data)</i>	Amount	Per Share	Amount	Per Share
Income attributable to Lee Enterprises, Incorporated, as reported	9,881	0.18	3,162	0.06
Adjustments:				
Impairment of intangible and other assets	—		2,644	
Debt financing costs	1,393		992	
Warrants fair value adjustment	(6,880)		(5,543)	
Other, including workforce adjustments	2,467		1,316	
	(3,020)		(591)	
Income tax effect of adjustments, net	(1,321)		(1,733)	
	(4,341)	(0.08)	(2,324)	(0.04)
Income attributable to Lee Enterprises, Incorporated, as adjusted	5,540	0.10	838	0.02

## SUBSCRIPTION EXPENSE RECLASSIFICATION

Certain results, excluding the impact of the subscription-related expense reclassification, are as follows:

	13 Weeks Ended		
<i>(Thousands of Dollars)</i>	Sept 27 2015	Sept 28 2014	Percent Change
Subscription revenue, as reported	48,570	46,081	5.4
Adjustment for subscription-related expense reclassification	(4,376)	(4,442)	(1.5)
Subscription revenue, as adjusted	44,194	41,639	6.1
Total operating revenue, as reported	156,099	163,173	(4.3)
Adjustment for subscription-related expense reclassification	(4,376)	(4,442)	(1.5)
Total operating revenue, as adjusted	151,723	158,731	(4.4)
Other cash costs, as reported	55,523	58,700	(5.4)
Adjustment for subscription-related expense reclassification	(4,376)	(4,442)	(1.5)
Other cash costs, as adjusted	51,147	54,258	(5.7)
Total cash costs excluding unusual matters	119,271	129,085	(7.6)
Adjustment for subscription-related expense reclassification	(4,376)	(4,442)	(1.5)
Total cash costs excluding unusual matters, as adjusted	114,895	124,643	(7.8)
Total cash costs, as reported	120,667	129,426	(6.8)
Adjustment for subscription-related expense reclassification	(4,376)	(4,442)	(1.5)
Total cash costs, as adjusted	116,291	124,984	(7.0)

Approximately \$4,036,000, or 92.2% of the reclassification impacts revenue and cash costs of our Lee Legacy<sup>(2)</sup> operations, and approximately \$340,000, or 7.8% impacts Pulitzer<sup>(2)</sup>.

## YEAR-TO-DATE OPERATING RESULTS<sup>(4)</sup>

Operating revenue for fiscal year 2015 totaled \$648.5 million, a decrease of 1.9% compared with fiscal year 2014. Excluding the impact of the subscription-related expense reclassification, operating revenue decreased 3.7%.

Advertising and marketing services revenue combined decreased 7.0% to \$412.1 million, retail advertising decreased 6.7%, classified decreased 8.6% and national decreased 9.8%. Digital advertising and marketing services revenue on a stand-alone basis increased 6.9% to \$81.7 million. Mobile advertising revenue increased 24.8%.

Subscription revenue increased 10.0%. Excluding the impact of the subscription-related expense reclassification, subscription revenue increased 3.6%.

Total digital revenue was \$116.9 million year to date, up 27.8% compared with a year ago.

Cash costs for 2015 decreased 0.8% compared to the same period a year ago. Excluding the impact of the subscription-related expense reclassification and workforce adjustments, cash costs decreased 3.6%. Compensation decreased 1.7%, due to a decrease in the average number of full-time equivalent employees of 4.9%, partially offset by company-wide salary increases and higher pension costs. Newsprint and ink expense decreased 20.3%, due to the combination of lower newsprint prices and a reduction in newsprint volume of 12.3%. Other operating expenses increased 2.5% and excluding the impact of the subscription-related expenses reclassification, other operating expense decreased 2.7%, or \$5.9 million.

Operating cash flow decreased 5.3% from a year ago to \$146.8 million. Excluding workforce adjustments, operating cash flow decreased 4.0%. Operating cash flow margin decreased to 22.6% from 23.5% a year ago. The subscription-related expense reclassification reduced operating cash flow margin by 0.7%. Including equity in earnings of associated companies, depreciation and amortization, as well as unusual matters in both years, operating income decreased to \$109.4 million in 2015, compared with \$113.2 million a year ago. Adjusted EBITDA for the year was \$163.3 or 3.4% decrease from the prior year.

Non-operating expenses decreased 28.0% in 2015 compared to 2014. We recognized \$5.4 million of debt financing costs in 2015 compared to \$22.9 million in 2014 due to costs charged to expense at the closing of our 2014 refinancing. Interest expense settled in cash decreased 6.4%, or \$4.9 million, due to lower debt balances in the current year. We also recognized non-cash interest expense of \$2.4 million in the prior year. The income related to the change in fair value of stock warrants was \$6.6 million and \$6.1 million in 2015 and 2014, respectively. Income attributable to Lee Enterprises, Incorporated for the year totaled \$23.3 million, compared to income of \$6.8 million a year ago.

#### ADJUSTED EARNINGS AND EPS FOR THE YEAR TO DATE

The following table summarizes the impact from unusual matters on income attributable to Lee Enterprises, Incorporated and earnings per diluted common share. Per share amounts may not add due to rounding.

	52 Weeks Ended			
	September 27 2015		September 28 2014	
<i>(Thousands of Dollars, Except Per Share Data)</i>	Amount	Per Share	Amount	Per Share
Income attributable to Lee Enterprises, Incorporated, as reported	23,316	0.43	6,795	0.13
Adjustments:				
Impairment of intangible and other assets	—		2,980	
Debt financing costs	5,433		22,927	
Amortization of debt present value adjustment	—		2,394	
Warrants fair value adjustment	(6,568)		(6,122)	
Litigation settlement	—		2,300	
Other, including workforce adjustments	4,037		2,319	
	2,902		26,798	
Income tax effect of adjustments, net	(3,217)		(11,487)	
	(315)	(0.01)	15,311	0.28
Income attributable to Lee Enterprises, Incorporated, as adjusted	23,001	0.43	22,106	0.41

## SUBSCRIPTION EXPENSE RECLASSIFICATION

Certain results, excluding the impact of the subscription-related expense reclassification, are as follows:

	52 Weeks Ended		
<i>(Thousands of Dollars)</i>	Sept 27 2015	Sept 28 2014	Percent Change
Subscription revenue, as reported	194,474	176,826	10.0
Adjustment for subscription-related expense reclassification	(18,300)	(6,707)	NM
Subscription revenue, as adjusted	176,174	170,119	3.6
Total operating revenue, as reported	648,543	660,877	(1.9)
Adjustment for subscription-related expense reclassification	(18,300)	(6,707)	NM
Total operating revenue, as adjusted	630,243	654,170	(3.7)
Other cash costs, as reported	229,165	223,509	2.5
Adjustment for subscription-related expense reclassification	(18,300)	(6,707)	NM
Other cash costs, as adjusted	210,865	216,802	(2.7)
Total cash costs excluding unusual matters	498,456	504,557	(1.2)
Adjustment for subscription-related expense reclassification	(18,300)	(6,707)	NM
Total cash costs excluding unusual matters, as adjusted	480,156	497,850	(3.6)
Total cash costs, as reported	501,760	505,822	(0.8)
Adjustment for subscription-related expense reclassification	(18,300)	(6,707)	NM
Total cash costs, as adjusted	483,460	499,115	(3.1)

Approximately \$16,918,000, or 92.4% of the reclassification impacts revenue and cash costs of our Lee Legacy operations, and approximately \$1,382,000, or 7.6% impacts Pulitzer.

## DEBT AND FREE CASH FLOW

Debt was reduced \$19.1 million in the quarter and \$78.9 million for the fiscal year. Strong free cash flow coupled with selective asset sales helped fund debt reduction in 2015, which we expect to continue at a similar rate in 2016. As of September 27, 2015 the principal amount of debt was \$725.9 million.

Unlevered free cash flow<sup>(2)</sup> increased 9.0% in the current year quarter to \$35.4 million compared to \$32.5 million in the same quarter a year ago. Unlevered free cash flow totaled \$149.3 million for 2015 compared to \$160.5 million in 2014. Tax refunds of \$6.0 million increased our free cash flow in 2014. At September 27, 2015, liquidity, including cash and availability under our Revolving Facility, totaled \$44.1 million compared to \$25.0 million of required debt principal payments over the next twelve months.

## CONFERENCE CALL INFORMATION

As previously announced, we will hold an earnings conference call and audio webcast later today at 9 a.m. Central Daylight Time. The live webcast will be accessible at [www.lee.net](http://www.lee.net) and will be available for replay two hours later. Several analysts have been invited to ask questions on the call. Questions from other participants may be submitted by participating in the webcast. The call also may be monitored on a listen-only conference line by dialing (toll free) 888-505-4389 and entering a conference passcode of 563694 at least five minutes before the scheduled start. Participants on the listen-only line will not have the opportunity to ask questions.

## ABOUT LEE

Lee Enterprises is a leading provider of local news and information, and a major platform for advertising, in its markets, with 46 daily newspapers and a joint interest in four others, rapidly growing digital products and nearly 300 specialty publications in 22 states. Lee's newspapers have circulation of 0.9 million daily and 1.3 million Sunday, reaching over three million readers in print alone. Lee's markets include St. Louis, MO; Lincoln, NE; Madison, WI; Davenport, IA; Billings, MT; Bloomington, IL; and Tucson, AZ. Lee Common Stock is traded on the New York Stock Exchange under the symbol LEE. For more information about Lee, please visit [www.lee.net](http://www.lee.net).

**FORWARD-LOOKING STATEMENTS** — The Private Securities Litigation Reform Act of 1995 provides a “safe harbor” for forward-looking statements. This release contains information that may be deemed forward-looking that is based largely on our current expectations, and is subject to certain risks, trends and uncertainties that could cause actual results to differ materially from those anticipated. Among such risks, trends and other uncertainties, which in some instances are beyond our control, are:

- Our ability to generate cash flows and maintain liquidity sufficient to service our debt;
- Our ability to comply with the financial covenants in our credit facilities;
- Our ability to refinance our debt as it comes due;
- That the warrants issued in our refinancing will not be exercised;
- The impact and duration of adverse conditions in certain aspects of the economy affecting our business;
- Changes in advertising demand;
- Potential changes in newsprint, other commodities and energy costs;
- Interest rates;
- Labor costs;
- Legislative and regulatory rulings;
- Our ability to achieve planned expense reductions;
- Our ability to maintain employee and customer relationships;
- Our ability to manage increased capital costs;
- Our ability to maintain our listing status on the NYSE;
- Competition; and
- Other risks detailed from time to time in our publicly filed documents.

Any statements that are not statements of historical fact (including statements containing the words “may”, “will”, “would”, “could”, “believes”, “expects”, “anticipates”, “intends”, “plans”, “projects”, “considers” and similar expressions) generally should be considered forward-looking statements. Readers are cautioned not to place undue reliance on such forward-looking statements, which are made as of the date of this release. We do not undertake to publicly update or revise our forward-looking statements, except as required by law.

Contact:  
Charles Arms  
Director of Communications  
IR@lee.net  
(563) 383-2100

**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(UNAUDITED)

	13 Weeks Ended			52 Weeks Ended		
	Sept 27 2015	Sept 28 2014	Percent Change	Sept 27 2015	Sept 28 2014	Percent Change
<i>(Thousands of Dollars, Except Per Share Data)</i>						
Advertising and marketing services:						
Retail	61,382	66,056	(7.1)	264,334	283,366	(6.7)
Classified	27,650	32,126	(13.9)	114,225	124,955	(8.6)
National	5,287	5,988	(11.7)	22,422	24,867	(9.8)
Niche publications and other	2,999	2,788	7.6	11,118	10,059	10.5
Total advertising and marketing services revenue	97,318	106,958	(9.0)	412,099	443,247	(7.0)
Subscription	48,570	46,081	5.4	194,474	176,826	10.0
Commercial printing	3,045	2,880	5.7	11,875	12,050	(1.5)
Digital services	3,254	2,924	11.3	12,522	10,181	23.0
Other	3,912	4,330	(9.7)	17,573	18,573	(5.4)
Total operating revenue	156,099	163,173	(4.3)	648,543	660,877	(1.9)
Operating expenses:						
Compensation	57,413	61,511	(6.7)	239,028	243,054	(1.7)
Newsprint and ink	6,335	8,874	(28.6)	30,263	37,994	(20.3)
Other operating expenses	55,523	58,700	(5.4)	229,165	223,509	2.5
Workforce adjustments	1,396	341	NM	3,304	1,265	NM
Cash costs	120,667	129,426	(6.8)	501,760	505,822	(0.8)
Operating cash flow	35,432	33,747	5.0	146,783	155,055	(5.3)
Depreciation	4,558	5,220	(12.7)	18,418	20,920	(12.0)
Amortization	6,548	6,880	(4.8)	27,145	27,591	(1.6)
Loss (gain) on sales of assets, net	(328)	284	NM	106	(1,338)	NM
Impairment of intangible and other assets	—	2,644	NM	—	2,980	NM
Equity in earnings of associated companies	2,141	1,949	9.9	8,254	8,297	(0.5)
Operating income	26,795	20,668	29.6	109,368	113,199	(3.4)
Non-operating income (expense):						
Financial income	79	79	—	337	385	(12.5)
Interest expense	(17,095)	(18,691)	(8.5)	(72,409)	(79,724)	(9.2)
Debt financing and administrative costs	(1,393)	(992)	40.4	(5,433)	(22,927)	(76.3)
Other, net	5,992	4,607	30.1	6,049	3,028	99.8
	(12,417)	(14,997)	(17.2)	(71,456)	(99,238)	(28.0)
Income before income taxes	14,378	5,671	NM	37,912	13,961	NM
Income tax expense	4,244	2,296	84.8	13,594	6,290	NM
Net income	10,134	3,375	NM	24,318	7,671	NM
Net income attributable to non-controlling interests	(253)	(213)	18.8	(1,002)	(876)	14.4
Income attributable to Lee Enterprises, Incorporated	9,881	3,162	NM	23,316	6,795	NM
Earnings per common share:						
Basic	0.18	0.06	NM	0.44	0.13	NM
Diluted	0.18	0.06	NM	0.43	0.13	NM

**SELECTED CONSOLIDATED FINANCIAL INFORMATION**  
(UNAUDITED)

	13 Weeks Ended		52 Weeks Ended	
	Sept 27 2015	Sept 28 2014	Sept 27 2015	Sept 28 2014
<i>(Thousands of Dollars)</i>				
Advertising and marketing services	97,318	106,958	412,099	443,247
Subscription	48,570	46,081	194,474	176,826
Other	10,211	10,134	41,970	40,804
<b>Total operating revenue</b>	<b>156,099</b>	<b>163,173</b>	<b>648,543</b>	<b>660,877</b>
Compensation	57,413	61,511	239,028	243,054
Newsprint and ink	6,335	8,874	30,263	37,994
Other operating expenses	55,523	58,700	229,165	223,509
Depreciation and amortization	11,106	12,100	45,563	48,511
Loss (gain) on sales of assets, net	(328)	284	106	(1,338)
Impairment of goodwill and other assets	—	2,644	—	2,980
Workforce adjustments	1,396	341	3,304	1,265
<b>Total operating expenses</b>	<b>131,445</b>	<b>144,454</b>	<b>547,429</b>	<b>555,975</b>
Equity in earnings of TNI and MNI	2,141	1,949	8,254	8,297
<b>Operating income</b>	<b>26,795</b>	<b>20,668</b>	<b>109,368</b>	<b>113,199</b>
Adjusted to exclude:				
Depreciation and amortization	11,106	12,100	45,563	48,511
Loss (gain) on sales of assets, net	(328)	284	106	(1,338)
Impairment of intangible and other assets	—	2,644	—	2,980
Equity in earnings of TNI and MNI	(2,141)	(1,949)	(8,254)	(8,297)
<b>Operating cash flow</b>	<b>35,432</b>	<b>33,747</b>	<b>146,783</b>	<b>155,055</b>
Add:				
Ownership share of TNI and MNI EBITDA (50%)	2,814	2,697	11,246	11,236
<b>EBITDA</b>	<b>38,246</b>	<b>36,444</b>	<b>158,029</b>	<b>166,291</b>
Adjusted to exclude:				
Workforce adjustments	1,396	341	3,304	1,265
Stock compensation	326	400	1,971	1,481
<b>Adjusted EBITDA<sup>(2)</sup></b>	<b>39,968</b>	<b>37,185</b>	<b>163,304</b>	<b>169,037</b>
Adjusted to exclude:				
Ownership share of TNI and MNI EBITDA (50%)	(2,814)	(2,697)	(11,246)	(11,236)
Add (deduct):				
Distributions from TNI and MNI	2,862	2,342	10,975	9,996
Capital expenditures, net of insurance proceeds	(2,016)	(3,620)	(9,707)	(11,824)
Pension contributions	(2,012)	(800)	(3,577)	(1,522)
Cash income tax refunds (payments)	(549)	89	(485)	6,022
<b>Unlevered free cash flow</b>	<b>35,439</b>	<b>32,499</b>	<b>149,264</b>	<b>160,473</b>
Add (deduct):				
Financial income	79	79	337	385
Interest expense to be settled in cash	(17,095)	(18,691)	(72,409)	(77,330)
Debt financing and administrative costs paid	(256)	(311)	(733)	(31,587)
<b>Free cash flow</b>	<b>18,167</b>	<b>13,576</b>	<b>76,459</b>	<b>51,941</b>

**SELECTED LEE LEGACY<sup>(2)</sup> ONLY FINANCIAL INFORMATION**  
(UNAUDITED)

	13 Weeks Ended		52 Weeks Ended	
	Sept 27 2015	Sept 28 2014	Sept 27 2015	Sept 28 2014
<i>(Thousands of Dollars)</i>				
Advertising and marketing services	67,944	75,543	287,417	307,254
Subscription	33,417	30,492	131,352	113,992
Other	8,719	8,545	35,328	34,353
<b>Total operating revenue</b>	<b>110,080</b>	<b>114,580</b>	<b>454,097</b>	<b>455,599</b>
Compensation	43,329	45,606	180,035	180,641
Newsprint and ink	4,670	6,461	22,307	27,084
Other operating expenses	32,100	32,696	130,530	120,552
Depreciation and amortization	7,683	8,529	31,534	33,163
Loss (gain) on sales of assets, net	40	281	(285)	(1,362)
Impairment of goodwill and other assets	—	42	—	378
Workforce adjustments	228	116	983	551
<b>Total operating expenses</b>	<b>88,050</b>	<b>93,731</b>	<b>365,104</b>	<b>361,007</b>
<b>Equity in earnings of MNI</b>	<b>1,115</b>	<b>1,152</b>	<b>3,416</b>	<b>3,384</b>
<b>Operating income</b>	<b>23,145</b>	<b>22,001</b>	<b>92,409</b>	<b>97,976</b>
Adjusted to exclude:				
Depreciation and amortization	7,683	8,529	31,534	33,163
Loss (gain) on sales of assets, net	40	281	(285)	(1,362)
Impairment of intangible and other assets	—	42	—	378
Equity in earnings of MNI	(1,115)	(1,152)	(3,416)	(3,384)
<b>Operating cash flow</b>	<b>29,753</b>	<b>29,701</b>	<b>120,242</b>	<b>126,771</b>
Add:				
Ownership share of MNI EBITDA (50%)	1,683	1,795	5,989	5,905
<b>EBITDA</b>	<b>31,436</b>	<b>31,496</b>	<b>126,231</b>	<b>132,676</b>
Adjusted to exclude:				
Workforce adjustments	228	116	983	551
Stock compensation	326	400	1,971	1,481
<b>Adjusted EBITDA</b>	<b>31,990</b>	<b>32,012</b>	<b>129,185</b>	<b>134,708</b>
Adjusted to exclude:				
Ownership share of MNI EBITDA (50%)	(1,683)	(1,795)	(5,989)	(5,905)
Add (deduct):				
Distributions from MNI	1,500	1,000	5,500	4,750
Capital expenditures, net of insurance proceeds	(1,668)	(2,543)	(6,747)	(9,688)
Pension contributions	—	(70)	—	(87)
Cash income tax refunds (payments)	(549)	51	(396)	(266)
Intercompany charges not settled in cash	—	(3,381)	(6,953)	(9,678)
Other	—	—	(2,000)	(2,000)
<b>Unlevered free cash flow</b>	<b>29,590</b>	<b>25,274</b>	<b>112,600</b>	<b>111,834</b>

**SELECTED PULITZER<sup>(2)</sup> ONLY FINANCIAL INFORMATION**  
(UNAUDITED)

	13 Weeks Ended		52 Weeks Ended	
	Sept 27 2015	Sept 28 2014	Sept 27 2015	Sept 28 2014
<i>(Thousands of Dollars)</i>				
Advertising and marketing services	29,374	31,415	124,682	135,993
Subscription	15,153	15,589	63,122	62,834
Other	1,492	1,589	6,642	6,451
<b>Total operating revenue</b>	<b>46,019</b>	<b>48,593</b>	<b>194,446</b>	<b>205,278</b>
Compensation	14,084	15,905	58,993	62,413
Newsprint and ink	1,665	2,413	7,956	10,910
Other operating expenses	23,423	26,004	98,635	102,957
Depreciation and amortization	3,423	3,571	14,029	15,348
Loss (gain) on sales of assets, net	(368)	3	391	24
Impairment of goodwill and other assets	—	2,602	—	2,602
Workforce adjustments	1,168	225	2,321	714
<b>Total operating expenses</b>	<b>43,395</b>	<b>50,723</b>	<b>182,325</b>	<b>194,968</b>
Equity in earnings of TNI	1,026	797	4,838	4,913
Operating income (loss)	3,650	(1,333)	16,959	15,223
Adjusted to exclude:				
Depreciation and amortization	3,423	3,571	14,029	15,348
Loss (gain) on sales of assets, net	(368)	3	391	24
Impairment of intangible and other assets	—	2,602	—	2,602
Equity in earnings of TNI	(1,026)	(797)	(4,838)	(4,913)
Operating cash flow	5,679	4,046	26,541	28,284
Add:				
Ownership share of TNI EBITDA (50%)	1,131	902	5,257	5,331
EBITDA	6,810	4,948	31,798	33,615
Adjusted to exclude:				
Workforce adjustments	1,168	225	2,321	714
Adjusted EBITDA	7,978	5,173	34,119	34,329
Adjusted to exclude:				
Ownership share of TNI EBITDA (50%)	(1,131)	(902)	(5,257)	(5,331)
Add (deduct):				
Distributions from TNI	1,362	1,342	5,475	5,246
Capital expenditures, net of insurance proceeds	(348)	(1,077)	(2,960)	(2,136)
Pension contributions	(2,012)	(730)	(3,577)	(1,435)
Cash income tax refunds (payments)	—	38	(89)	6,288
Intercompany charges not settled in cash	—	3,381	6,953	9,678
Other	—	—	2,000	2,000
<b>Unlevered free cash flow</b>	<b>5,849</b>	<b>7,225</b>	<b>36,664</b>	<b>48,639</b>

**SELECTED BALANCE SHEET INFORMATION**

<i>(Thousands of Dollars)</i>	September 27 2015	September 28 2014
Cash	11,134	16,704
<b>Debt (Principal Amount):</b>		
Revolving Facility	—	5,000
1st Lien Term Loan	180,872	226,750
Notes	400,000	400,000
2nd Lien Term Loan	145,000	150,000
Pulitzer Notes	—	23,000
	<b>725,872</b>	<b>804,750</b>

**SELECTED STATISTICAL INFORMATION**

	13 Weeks Ended			52 Weeks Ended		
	Sept 27 2015	Sept 28 2014	Percent Change	Sept 27 2015	Sept 28 2014	Percent Change
Capital expenditures, net of insurance proceeds <i>(Thousands of Dollars)</i>	2,016	3,620	(44.3)	9,707	11,824	(17.9)
Newsprint volume <i>(Tonnes)</i>	12,145	13,691	(11.3)	50,895	58,007	(12.3)
Average full-time equivalent employees	4,160	4,443	(6.4)	4,292	4,515	(4.9)
Average common shares - basic <i>(Thousands of Shares)</i>	53,637	52,442	2.3	52,640	52,273	0.7
Average common shares - diluted <i>(Thousands of Shares)</i>	54,515	53,988	1.0	53,931	53,736	0.4
Shares outstanding at end of period <i>(Thousands of Shares)</i>				54,679	53,747	1.7

## NOTES

- (1) This earnings release is a preliminary report of results for the periods included. The reader should refer to the Company's most recent reports on Form 10-Q and on Form 10-K for definitive information.
- (2) The following are non-GAAP (Generally Accepted Accounting Principles) financial measures for which reconciliations to relevant GAAP measures are included in tables accompanying this release:
  - ž *Adjusted EBITDA* is defined as as operating income (loss), plus depreciation, amortization, loss (gain) on sale of assets, impairment charges, workforce adjustment costs, stock compensation and our 50% share of EBITDA from TNI and MNI, minus equity in earnings of TNI and MNI and curtailment gains.
  - ž *Adjusted Income (Loss)* and *Adjusted Earnings (Loss) Per Common Share* are defined as income (loss) attributable to Lee Enterprises, Incorporated and earnings (loss) per common share adjusted to exclude both unusual matters and those of a substantially non-recurring nature.
  - ž *Cash Costs* are defined as compensation, newsprint and ink, other operating expenses and certain unusual matters, such as workforce adjustment costs. Depreciation, amortization, impairment charges, other non-cash operating expenses and other unusual matters are excluded.
  - ž *EBITDA* is defined as operating income (loss), plus depreciation, amortization, loss (gain) on sale of assets, impairment charges and our 50% share of EBITDA from TNI and MNI, minus equity in earnings of TNI and MNI and curtailment gains.
  - ž *Operating Cash Flow* is defined as operating income (loss) plus depreciation, amortization, loss (gain) on sale of assets and impairment charges, minus equity in earnings of TNI and MNI and curtailment gains. We also present *Operating Cash Flow* excluding workforce adjustment costs. *Operating Cash Flow Margin* is defined as operating cash flow divided by operating revenue.
  - ž *Unlevered Free Cash Flow* is defined as operating income (loss), plus depreciation, amortization, loss (gain) on sale of assets, impairment charges, workforce adjustment costs, stock compensation, distributions from TNI and MNI and cash income tax (payments) refunds, minus equity in earnings of TNI and MNI, curtailment gains, cash income taxes, pension contributions and capital expenditures. Changes in working capital, asset sales, minority interest and discontinued operations are excluded. *Free Cash Flow* also includes financial income, interest expense and debt financing and reorganization costs.

We also present selected information for Lee Legacy and Pulitzer Inc. ("Pulitzer"). Lee Legacy constitutes the business of the Company excluding Pulitzer, a wholly-owned subsidiary of the Company.

No non-GAAP financial measure should be considered as a substitute for any related GAAP financial measure. However, the Company believes the use of non-GAAP financial measures provides meaningful supplemental information with which to evaluate its financial performance, or assist in forecasting and analyzing future periods. The Company also believes such non-GAAP financial measures are alternative indicators of performance used by investors, lenders, rating agencies and financial analysts to estimate the value of a publishing business and its ability to meet debt service requirements.

- (3) The 1st Lien Term Loan is the \$250 million first lien term loan and \$40 million revolving facility under a First Lien Credit Agreement dated as of March 31, 2014. The 2nd Lien Term Loan is the \$150 million second lien term loan under the Second Lien Loan Agreement dated as of March 31, 2014. TNI refers to TNI Partners publishing operations in Tucson, AZ. MNI refers to Madison Newspapers, Inc. publishing operations in Madison, WI.
- (4) Certain amounts as previously reported have been reclassified to conform with the current period presentation. The prior periods have been adjusted for comparative purposes, and the reclassifications have no impact on earnings.