

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM S-8  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

CUC INTERNATIONAL INC.  
(Exact name of Registrant as Specified in its Charter)

Delaware  
(State or Other Jurisdiction  
of Incorporation or Organization)

06-0918165  
(I.R.S. Employer  
Identification No.)

707 Summer Street  
Stamford, Connecticut  
(Address of Principal Executive Offices)

06901  
(Zip Code)

CUC International Inc. 1997 Stock Option Plan  
CUC International Inc. 1992 Employee Stock Option Plan  
CUC International Inc. 1992 Bonus and Salary Replacement Stock Option Plan  
Individual Option Agreements with Certain Employees  
(Full Title of the Plans)

Cosmo Corigliano  
CUC INTERNATIONAL INC.  
707 Summer Street  
Stamford, Connecticut 06901  
(Name and Address of Agent for Service)

(203) 324-9261  
(Telephone Number, Including Area Code, of Agent for Service)

CALCULATION OF REGISTRATION FEE

Title Of Securities To Be Registered	Amount To Be Registered	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount Of Registration Fee
Common Stock, 30,000,000 shares \$.01 par value 1,600,000 shares		\$25.46875(1) \$20.50 (2)	\$764,062,500(1) \$ 32,800,000(2)	\$231,534.09(1) \$ 9,939.39(2)
Total	31,600,000 shares		\$796,862,500	\$241,473.48

- (1) Pursuant to Rule 457(c) under the Securities Act of 1933 (the "Securities Act"), the proposed maximum offering price and the registration fee are based on the average of the high and low prices per share of the Registrant's Common Stock reported on the New York Stock Exchange Composite Tape on June 30, 1997.
- (2) Pursuant to Rule 457(h) under the Securities Act, the proposed maximum offering price and the registration fee are based on the exercise price of options outstanding.

PART I

INFORMATION REQUIRED IN THE 10(a) PROSPECTUS

The documents containing the information specified in this Part I will be sent or given to all participants in the CUC International Inc. 1997 Stock Option Plan (the "1997 Plan"), the CUC International Inc. 1992 Employee Stock Option Plan (the "1992

Plan"), the CUC International Inc. 1992 Bonus and Salary Replacement Stock Option Plan (the "Replacement Plan") and the employee recipients of certain individual option agreements (the "Non-Plan Grants"; collectively, with the 1997 Plan, the 1992 Plan and the Replacement Plan, the "Plans"), as specified by Rule 428(b)(1) under the Securities Act. Such documents are not filed with the Securities and Exchange Commission (the "Commission") either as part of this Registration Statement or as prospectuses or prospectus supplements pursuant to Rule 424 under the Securities Act. These documents and the documents incorporated by reference in this Registration Statement pursuant to Item 3 of Part II of this Registration Statement, taken together, constitute a prospectus that meets the requirements of Section 10(a) of the Securities Act.

With respect to the 1992 Plan, the contents of the Registrant's earlier registration statements on Form S-8, filed January 10, 1994 (Registration No. 33-74066), April 27, 1995 (Registration No. 33-91658), January 26, 1996 (Registration No. 333-00475) and May 7, 1996 (Registration No. 333-03237) are incorporated herein by reference.

With respect to the Replacement Plan, the contents of the Registrant's earlier registration statements on Form S-8, filed March 2, 1993 (Registration No. 33-58896), April 27, 1995 (Registration No. 33-91656) and May 7, 1996 (Registration No. 333-03241) are incorporated herein by reference.

## PART II

### INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

#### Item 3. Incorporation of Documents by Reference

The following documents previously filed by the Registrant with the Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act") are incorporated herein by reference:

- (a) The Registrant's Annual Report on Form 10-K for the fiscal year ended January 31, 1997; and
- (b) The Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended April 30, 1997; and
- (c) The Registrant's Current Reports on Form 8-K dated February 4, 1997, February 13, 1997, February 26, 1997, March 17, 1997 and May 29, 1997; and
- (d) Description of the Registrant's common stock, par value \$.01 per share ("Common Stock"), contained in the Registrant's Registration Statements on Form 8-A, as filed with the Commission on July 27, 1984 and August 15, 1989, including any amendment or report filed with the Commission for the purpose of updating such description.

All documents and reports subsequently filed by the Registrant pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act prior to the filing of a post-effective amendment to this Registration Statement which indicates that all securities offered hereby have been sold or which deregisters all such securities then remaining unsold shall be deemed to be incorporated by reference in this Registration Statement and to be a part hereof from the date of filing of such documents.

#### Item 4. Description of Securities

Not applicable.

#### Item 5. Interests of Named Experts and Counsel

Jeffrey A. Gershowitz, Esq., has rendered an opinion on the validity of the securities being registered under the Plans pursuant to this Registration Statement. Mr. Gershowitz is a vice president and associate general counsel of the Comp-U-Card Division of the Registrant. A copy of this opinion is attached as Exhibit 5 to this Registration Statement. Mr. Gershowitz holds shares of Common Stock and options to acquire shares of Common Stock.

#### Item 6. Indemnification of Directors and Officers

Section 145 of the General Corporation Law of the State of Delaware (the "GCL") empowers a Delaware corporation to indemnify

any person who was or is a party to or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that such person is or was a director, officer, employee or agent of such corporation, or is or was serving at the request of such corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise. The indemnity may include expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, provided that such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. A Delaware corporation may indemnify directors, officers, employees and other agents of such corporation in an action by or in the right of the corporation under the same conditions, except that no indemnification is permitted without judicial approval if the person to be indemnified has been adjudged to be liable to the corporation. Where a director, officer, employee or agent of the corporation is successful on the merits or otherwise in the defense of any action, suit or proceeding referred to above or in defense of any claim, issue or matter therein, the corporation must indemnify such person against the expenses (including attorney's fees) which he or she actually and reasonably incurred in connection therewith.

The Registrant's By-Laws contain provisions that provide for indemnification of officers and directors to the full extent permitted by, and in the manner permissible under, the GCL.

As permitted by Section 102(b)(7) of the GCL, the Registrant's Restated Certificate of Incorporation contains a provision eliminating the personal liability of a director to the Registrant or its stockholders for monetary damages for breach of fiduciary duty as a director, subject to certain exceptions.

#### Item 7. Exemption from Registration Claimed

No securities are to be reoffered or resold pursuant to this Registration Statement.

#### Item 8. Exhibits

- 4.1 CUC International Inc. 1997 Stock Option Plan (filed as Exhibit 10.23 to the Registrant's Form 10-Q for the period ended April 30, 1997).\*
- 4.2 Form of Stock Option Contract - 1997 Stock Option Plan (filed as Exhibit 10.24 to the Registrant's Form 10-Q for the period ended April 30, 1997).\*
- 4.3 CUC International Inc. 1992 Employee Stock Option Plan
- 4.4 Form of Stock Option Contract -- 1992 Employee Stock Option Plan
- 4.5 CUC International Inc. 1992 Bonus & Salary Replacement Stock Option Plan
- 4.6 Form of Stock Option Contract - 1992 Bonus & Salary Replacement Stock Option Plan
- 4.7 Form of Non-Plan Grant Option Contract with Certain Employees
5. Opinion of Jeffrey A. Gershowitz, Esq. as to the legality of the securities being registered
15. Letter re: Unaudited Interim Financial Information
  - 23.1 Consent of Ernst & Young LLP
  - 23.2 Consent of Deloitte & Touche LLP
  - 23.3 Consent of KPMG Peat Marwick LLP
  - 23.4 Consent of Price Waterhouse LLP
  - 23.5 Consent of Jeffrey A. Gershowitz, Esq. (included in the opinion filed as Exhibit 5 hereto)
24. Powers of Attorney of certain officers and directors of the Registrant (included on the signature page of this Registration Statement)

\* Incorporated by reference.

#### Item 9. Undertakings

- a. The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

- (i) To include any prospectus required by Section 10(a)(3) of the Securities Act;
- (ii) To reflect in the prospectus any facts or events arising after the effective date of this Registration Statement (or the most recent post-effective amendment hereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in this Registration Statement;
- (iii) To include any material information with respect to the plan of distribution not previously disclosed in this Registration Statement or any material change to such information in this Registration Statement;

provided, however, that paragraphs (a)(1)(i) and (a)(1)(iii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the Registrant pursuant to Section 13 or 15(d) of the Exchange Act that are incorporated by reference in this Registration Statement.

- (2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

b. The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the Registrant's annual report pursuant to Section 13(a) or 15(d) of the Exchange Act that is incorporated by reference in this Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

c. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

#### SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Stamford, State of Connecticut, on this 2nd day of July, 1997.

By: /s/ Walter A. Forbes  
Walter A. Forbes  
Chief Executive Officer and Chairman of  
the Board of Directors

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Walter A. Forbes and E. Kirk Shelton, and each and either of them, his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments (including, without limitation, post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act, this Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Walter A. Forbes Walter A. Forbes	Chief Executive Officer and Chairman of the Board (Principal Executive Officer)	July 2, 1997
/s/ Cosmo Corigliano Cosmo Corigliano	Senior Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	July 2, 1997
/s/ Bartlett Burnap Bartlett Burnap	Director	July 2, 1997
/s/ T. Barnes Donnelley T. Barnes Donnelley	Director	July 2, 1997
/s/ Stephen A. Greyser Stephen A. Greyser	Director	July 2, 1997
/s/ Christopher K. McLeod Christopher K. McLeod	Director	July 2, 1997
/s/ Burton C. Perfit Burton C. Perfit	Director	July 2, 1997
/s/ Robert P. Rittreiser Robert P. Rittreiser	Director	July 2, 1997
/s/ Stanley M. Rumbough, Jr. Stanley M. Rumbough, Jr.	Director	July 2, 1997
/s/ E. Kirk Shelton E. Kirk Shelton	Director	July 2, 1997
/s/ Kenneth A. Williams Kenneth A. Williams	Director	July 2, 1997

EXHIBIT INDEX

Exhibit Number	Description	Page
4.1	CUC International Inc. 1997 Stock Option Plan (filed as Exhibit 10.23 to the Registrant's Form 10-Q for the period ended April 30, 1997).*	
4.2	Form of Stock Option Contract - 1997 Stock Option Plan (filed as Exhibit 10.24 to the Registrant's Form 10-Q for the period ended April 30, 1997).*	
4.3	CUC International Inc. 1992 Employee Stock Option Plan	

- 4.4 Form of Stock Option Contract -- 1992 Employee Stock Option Plan
- 4.5 CUC International Inc. 1992 Bonus & Salary Replacement Stock Option Plan
- 4.6 Form of Stock Option Contract -- 1992 Bonus & Salary Replacement Stock Option Plan
- 4.7 Form of Non-Plan Grant Option Contract with Certain Employees
- 5 Opinion of Jeffrey A. Gershowitz, Esq. as to legality of the securities being registered
- 15. Letter re: Unaudited Interim Financial Information
- 23.1 Consent of Ernst & Young LLP
- 23.2 Consent of Deloitte & Touche LLP
- 23.3 Consent of KPMG Peat Marwick LLP
- 23.4 Consent of Price Waterhouse LLP
- 23.5 Consent of Jeffrey A. Gershowitz, Esq. (included in the opinion filed as Exhibit 5 hereto)
- 24 Powers of Attorney of certain officers and directors of the Registrant (included on the signature page of this Registration Statement)

---

\* Incorporated by reference.

July 2, 1997

CUC International Inc.  
707 Summer Street  
Stamford, CT 06901

RE: Registration Statement on Form S-8

Gentlemen and Ladies:

I have examined the Registration Statement on Form S-8 (the "Registration Statement") to be filed by CUC International Inc. (the "Company") with the Securities and Exchange Commission in connection with the registration under the Securities Act of 1933, as amended, of 31,600,000 shares of common stock, par value \$.01 per share, of the Company ("Common Stock"), reserved for issuance under the Company's 1997 Stock Option Plan, 1992 Employee Stock Option Plan, 1992 Bonus and Salary Replacement Stock Option Plan and individual option agreements with certain employees (collectively, the "Plans").

In connection with the foregoing, I have examined, among other things, the Registration Statement, the Plans, and originals or copies, satisfactory to me, of all such corporate records and of all such agreements, certificates and other documents as I have deemed relevant and necessary as a basis for the opinion hereinafter expressed. In such examination, I have assumed the genuineness of all signatures, the authenticity of all documents submitted to me as originals and the conformity with the original documents of documents submitted to me as copies. As to various facts material to such opinion, I have, to the extent relevant facts were not independently established by me, relied on certificates of public officials and certificates and oaths and declarations of officers or other representatives of the Company.

Based upon and subject to the foregoing, I am of the opinion that:

1. The Company is a corporation duly organized and validly existing under the laws of the State of Delaware; and
2. The 31,600,000 shares of the Company's Common Stock being registered pursuant to the Registration Statement, when issued pursuant to the provisions of the Plan and upon payment of the purchase price therefor, will be duly authorized, validly issued, fully paid and non-assessable.

I hereby consent to the filing of a copy of this opinion as an exhibit to the Registration Statement and to the use of my name wherever appearing in such Registration Statement, including any amendment thereto.

Very truly yours,

/s/ Jeffrey A. Gershowitz

Jeffrey A. Gershowitz  
Vice President and  
Associate General Counsel

Exhibit 23.1

Consent of Independent Auditors

We consent to the incorporation by reference in the Registration Statement (Form S-8) pertaining to the CUC International Inc. 1997 Stock Option Plan, the CUC International Inc. 1992 Employee Stock Option Plan, the CUC International Inc. 1992 Bonus and Salary Replacement Stock Option Plan and the Individual Option Agreements with Certain Employees of our report dated March 10, 1997, with respect to the consolidated financial statements and schedule of CUC International Inc. included in its Annual Report (Form 10-K) for the year ended January 31, 1997, filed with the Securities and Exchange Commission.

ERNST & YOUNG LLP

Stamford, Connecticut  
July 2, 1997



EXHIBIT 15

CUC INTERNATIONAL INC. AND SUBSIDIARIES

EXHIBIT 15 - LETTER RE: UNAUDITED INTERIM FINANCIAL INFORMATION

July 2, 1997

Shareholders and Board of Directors  
CUC International Inc.

We are aware of the incorporation by reference in the Registration Statement (Form S-8) of CUC International Inc. for the registration of 31,600,000 shares of its common stock of our report dated June 13, 1997 relating to the unaudited condensed consolidated interim financial statements of CUC International Inc. that are included in its Quarterly Report on Form 10-Q for the quarter ended April 30, 1997.

Pursuant to Rule 436(c) of the Securities Act of 1933, our report is not a part of the registration statement prepared or certified by accountants within the meaning of Section 7 or 11 of the Securities Act of 1933.

ERNST & YOUNG LLP

Stamford, Connecticut

EXHIBIT 23.2

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this Registration Statement of CUC International Inc. on Form S-8 of our report dated June 24, 1996 relating to the consolidated balance sheet of Sierra On-Line, Inc. and subsidiaries for the year ended March 31, 1996 and the consolidated statements of earnings, cash flows and stockholders' equity for the two years ended March 31, 1996 (not presently presented separately therein).

Deloitte & Touche LLP

Seattle, Washington  
June 30, 1997

EXHIBIT 23.3

Consent of Independent Auditors

The Board of Directors  
Davidson & Associates, Inc.

We consent to the use of our report incorporated herein by reference with respect to the consolidated balance sheet of Davidson & Associates, Inc. and subsidiaries as of December 31, 1995 and the related consolidated statements of earnings, shareholders' equity, and cash flows and related schedule for each of the years in the two-year period ended December 31, 1995.

KPMG Peat Marwick LLP

Long Beach, California  
June 30, 1997

EXHIBIT 23.4

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 of CUC International Inc. of our report dated February 2, 1996, relating to the consolidated financial statements of Ideon Group, Inc., which appears in the Current Report on Form 10-K of CUC International Inc. filed with the Securities and Exchange Commission on or about May 1, 1997.

PRICE WATERHOUSE LLP  
Tampa, Florida  
June 30, 1997

AS AMENDED THROUGH JUNE 11, 1997

1992 EMPLOYEE STOCK OPTION PLAN

OF

CUC INTERNATIONAL INC.

1. **PURPOSES OF THE PLAN.** This stock option plan (the "Plan") is designed to provide an incentive to key employees of CUC International Inc., a Delaware corporation (the "Company"), and its present and future Subsidiaries, as defined in Paragraph 16, and to offer an additional inducement in obtaining the services of such individuals. No grant hereunder shall be made to any director, nor to any employee who the Company determines is an "officer" within the meaning of Section 16 of the Securities Exchange Act of 1934, as amended (the "1934 Act"). The Plan provides for the grant of "incentive stock options," within the meaning of Section 422A of the Internal Revenue Code of 1986, as amended (the "Code"), and "non-qualified stock options."
2. **STOCK SUBJECT TO THE PLAN.** Options may be granted under the Plan to purchase in the aggregate not more than thirty-seven million seven hundred eighty-seven thousand five hundred (37,787,500) shares of Common Stock, \$.01 par value per share, of the Company ("Common Stock"), which shares may, in the discretion of the Board of Directors, consist either in whole or in part of authorized but unissued shares of Common Stock or shares of Common Stock held in the treasury of the Company. The Company shall at all times during the term of the Plan reserve and keep available such number of shares of Common Stock as will be sufficient to satisfy the requirements of the Plan. Subject to the provision of Paragraph 12, any shares subject to an option which for any reason expires, is canceled or is terminated unexercised as to such shares shall again become available for option under the Plan.
3. **ADMINISTRATION OF THE PLAN.** The Plan shall be administered by a Committee (the "Committee") consisting of not less than two members of the Board of Directors, each of whom shall be a Non-Employee Director of the Company within the meaning of Rule 16b-3 or its successors under the 1934 Act. A majority of the members shall constitute a quorum, and the acts of a majority of the members present at any meeting at which a quorum is present, and any acts approved in writing by all members without a meeting, shall be the acts of the Committee.

Subject to the express provisions of the Plan, the Committee shall have the authority, in its sole discretion, to determine the individuals who shall receive options; the times when they shall receive them; whether an incentive and/or a non-qualified stock option shall be granted; the number of shares to be subject to each option; the term of each option; the date each option shall become exercisable; whether an option shall be exercisable in whole, in part or in installments, and if in installments, the number of shares to be subject to each installment; the date each installment shall become exercisable and the term of each installment; to accelerate the date of exercise of any installment; whether shares may be issued on exercise of an option as partly paid, and, if so, the dates when future installments of the exercise price shall become due and the amounts of each installments; the exercise price; the form of payment upon exercise; to require that the individual remain employed in some capacity with the Company or its Subsidiaries for a period of time from and after the date the option is granted to him; the amount necessary to satisfy the Company's withholding obligation; to restrict the sale or other disposition of the shares of Common Stock acquired upon the exercise of an option and to waive any such restriction; to construe the respective option agreements and the Plan; to prescribe, amend and rescind rules and regulations relating to the Plan; to make all other determinations necessary or advisable for

administering the Plan; and, with the consent of the optionee, to cancel or modify an option, provided such option as modified does not violate the terms of the Plan. The determinations of the Committee on the matters referred to in this Paragraph 3 shall be conclusive.

No member of the Committee shall be liable for anything whatsoever in connection with the administration of the Plan except such member's own willful misconduct. Under no circumstances shall any member of the Committee be liable for any act or omission of any other member of the Committee. In the performance of its functions with respect to the Plan, the Committee shall be entitled to rely upon information and advice furnished by the Company's officers, the Company's accountants, the Company's counsel and any other party the Committee deems necessary and no member of the Committee shall be liable for any action taken or not taken in reliance upon any such advice.

4. ELIGIBILITY. The Committee may, consistent with the purposes of the Plan, grant options from time to time, within 10 years from the date of adoption of the Plan by the Board of Directors, to key employees of the Company or any of its Subsidiaries and covering such number of shares of Common Stock as it may determine; provided, however, that the aggregate market value (determined at the time the stock option is granted) of the shares for which any eligible person may be granted incentive stock options under the Plan or any other plan of the Company, or of a Subsidiary of the Company, which are exercisable for the first time by such optionee during any calendar year shall not exceed \$100,000. Any option (or the portion thereof) granted in excess of such amount shall be treated as a non-qualified stock option.
5. EXERCISE PRICE. The exercise price of the shares of Common Stock under each option shall be determined by the Committee, but in no event shall such purchase price be less than 100% of the fair market value of the Common Stock on the date of grant; provided, however, that if, at the time an option is granted, the optionee owns (or is deemed to own) stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or of any of its Subsidiaries, the exercise price shall not be less than 110% of the fair market value of the Common Stock subject to the option at the time of the granting of such option. The fair market value of the Common Stock on any day shall be (a) if the principal market for the Common Stock is a national securities exchange, the closing sale price of the Common Stock on such day as reported by such exchange or on a consolidated tape reflecting transactions on such exchange, (b) if the principal market for the Common Stock is not a national securities exchange and the Common Stock is quoted on the National Association of Securities Dealers Automated Quotations System ("NASDAQ"), and (i) if the Common Stock is quoted on the NASDAQ National Market System, the closing sale price of the Common Stock on such day, or (ii) if the Common Stock is not quoted on the NASDAQ National Market System, the average between the highest bid and the lowest asked prices for the Common Stock on such day on NASDAQ, or (c) if the principal market for the Common Stock is not a national securities exchange and the Common Stock is not quoted on NASDAQ, the average between the highest bid and lowest asked prices for the Common Stock on such day as reported by National Quotation Bureau, Incorporated; provided that if clauses (a), (b) and (c) of this Paragraph are all inapplicable, or if no trades have been made or no quotes are available for such day, the fair market value of the Common Stock shall be determined by the Committee by any method consistent with applicable regulations adopted by the Treasury Department relating to stock options. The determination of the Committee shall be conclusive in determining the fair market value of the stock.
6. TERM OF OPTION. The term of each option granted pursuant to the Plan shall be such term as is established by the Committee, in its sole discretion, at the time such option is granted; provided, however, that the term of each incentive stock option granted pursuant to the Plan shall be for a period not exceeding 10 years from the date of

granting thereof, and further, provided, that if, at the time an option is granted, the optionee owns (or is deemed to own) stock possessing more than 10% of the total combined voting power of all classes of stock of the Company, or of any of its Subsidiaries, the term of the incentive stock option shall be for a period not exceeding five years. Options shall be subject to earlier termination as hereinafter provided.

7. EXERCISE OF OPTION. An option (or any part or installment thereof) shall be exercised by giving written notice to the Company at its principal office (at present 707 Summer Street, Stamford, Connecticut 06901), stating whether an incentive stock option or a non-qualified stock option is being exercised, specifying the number of shares as to which such option is being exercised and accompanied by payment in full of the aggregate exercise price therefor (or the amount due on exercise if the Stock Option Contract permits installment payments) (i) in cash or by certified check, (ii) pursuant to a "cashless" broker assisted exercise whereby an exercise facilitator selected by the Company makes payment to the Company in cash, or (iii) any other method which the Committee may approve.

The Company shall have the right to deduct and withhold from any cash otherwise payable to an optionee, or require that an optionee make arrangements satisfactory to the Company for payment of, such amounts as the Company shall determine for the purpose of satisfying its liability to withhold Federal, state or local income or FICA taxes incurred by reason of the grant or exercise of an option.

Certificates representing the shares purchased shall be issued as promptly as practicable, provided that the Company may postpone issuing certificates for such shares for such time as the Company, in its sole discretion, may deem necessary or desirable in order to enable it to comply with any requirements of the Securities Act of 1933, as amended ("Securities Act"), the 1934 Act, any Rules or Regulations of the Securities and Exchange Commission promulgated under either of the foregoing acts, the listing requirements of any securities exchange on which the Company's Common Stock may now or hereafter be listed, or any applicable laws of any jurisdiction relating to the authorization, issuance or sale of securities. With respect to persons subject to Section 16 of the 1934 Act, the Company reserves the right to defer distribution of share certificates issuable upon exercise of an option by such person until at least six (6) months have elapsed from the date of grant of the option. The holder of an option shall not have the rights of a stockholder with respect to the shares covered by his option until the date of issuance of a stock certificate to him for such shares. In no case may a fraction of a share be purchased or issued under the Plan.

8. TERMINATION OF EMPLOYMENT. Any optionee whose employment with the Company (and its Subsidiaries) has terminated for any reason other than death or permanent and total disability (as defined in Section 22(e) (3) of the Code) may exercise his option, to the extent exercisable on the date of such termination, at any time within four months after the date of termination, unless otherwise permitted by the Committee, but in no event after the expiration of the term of the option. Options granted to an employee under the Plan shall not be affected by any changes in the status of an optionee so long as he continues to be employed in some capacity with the Company, or any of its Subsidiaries, or a Constituent Corporation, as defined in Paragraph 16, unless the Committee otherwise permits.

Nothing in the Plan or in any option granted under the Plan shall confer on any individual any right to continue in the employ of the Company or any of its Subsidiaries, or interfere in any way with the right of the Company or any of its Subsidiaries to terminate the employee's employment at any time for any reason whatsoever without liability to the Company or any of its Subsidiaries.

9. DEATH OR DISABILITY OF AN OPTIONEE. If an optionee dies while he is employed by the Company or any of its Subsidiaries, or within three months after the termination

of his employment, or if the optionee's employment has terminated by reason of a permanent and total disability (as defined in Section 22(e)(3) of the Code), options granted under this Plan shall become immediately exercisable by his executor, administrator or other person at the time entitled by law to his rights under the option.

10. STOCK OPTION CONTRACTS. Each option shall be evidenced by an appropriate Stock Option Contract, and may contain such terms and conditions not inconsistent herewith as may be determined by the Committee, and which may provide, among other things, (a) that in the event of the exercise of such option, unless the shares of Common Stock received upon such exercise shall have been registered under an effective registration statement under the Securities Act, such shares will be acquired for investment and not with a view to distribution thereof, and that such shares may not be sold except in compliance with the applicable provisions of the Securities Act, and (b) that in the event of any disposition of the shares of Common Stock acquired upon the exercise of an incentive stock option within two years from the date of grant of the option or one year from the date of issuance of such shares to him (a "Disqualifying Disposition") the optionee will notify the Company thereof in writing within 30 days after such disposition, pay the Company, on demand, in cash an amount necessary to satisfy its obligation, if any, to withhold any Federal, state or local income taxes or other taxes by reason of such Disqualifying Disposition and provide the Company, on demand, with such information as the Company shall reasonably request to determine such obligation.
11. ADJUSTMENTS UPON CHANGES IN COMMON STOCK. The number and kind of shares reserved for issuance hereunder shall be equitably adjusted, in the discretion of the Committee, in the event of a stock split, stock dividend, recapitalization, reorganization, merger, consolidation, extraordinary dividend, split-up, spin-off, combination, stock repurchase, exchange of shares, warrants or rights offering to purchase stock at a price substantially below fair market value or other similar corporate event affecting the stock, in order to preserve the benefits intended to be made available under the Plan. In the event of any of the foregoing, the number and kind of shares subject to any outstanding option granted pursuant to the Plan and the exercise price of any such option shall be equitably adjusted (including by payment of cash to the holder of such option) in the discretion of the Committee in order to preserve the benefits or potential benefits intended to be made available to the holder of an option granted pursuant to the Plan. The determination of the Committee as to what adjustments shall be made, and the extent thereof, shall be final. Unless otherwise determined by the Committee, such adjustments shall be subject to the same vesting schedule and restrictions to which the underlying option is subject. No fractional shares of Company Stock shall be reserved or authorized or made subject to any outstanding option by any such adjustment.
12. AMENDMENTS AND TERMINATION OF THE PLAN. The Plan was adopted by the Board of Directors on August 28, 1992. No options may be granted under the Plan after the tenth anniversary of that date. The Board of Directors, without further approval of the Company's stockholders, may at any time suspend or terminate the Plan, in whole or in part, or amend it from time to time in such respects as it may deem advisable, including, without limitation, in order that incentive stock options granted hereunder meet the requirements for "incentive stock options" under the Code, or any comparable provisions thereafter enacted and conform to any change in applicable law or to regulations or rulings of administrative agencies. No termination, suspension or amendment of the Plan shall, without the consent of the holder of an existing option affected thereby, adversely affect his rights under such option.
13. TRANSFERABILITY OF OPTIONS. Options granted under the Plan shall be transferable by the optionee only pursuant to the following methods, and, with respect to incentive stock options, only to the extent permitted under the Code for options to qualify as incentive stock options: by will or



the laws of descent and distribution; pursuant to a domestic relations order, as defined in the Code or Title I of the Employee Retirement Income Security Act, or the rules thereunder; or as a gift to family members of the optionee, trusts for the benefit of family members of the optionee or charities or other not-for-profit organizations. Except to the extent provided in this Paragraph, Paragraph 9 and Paragraph 14, options may not be assigned, transferred, pledged, hypothecated or disposed of in any way (whether by operation of law or otherwise), shall not be subject to execution, attachment or similar process, and may be exercised during the lifetime of the holder thereof only by such holder.

14. DESIGNATION OF BENEFICIARY. The optionee may designate in writing on forms prescribed by and filed with the Committee prior to the optionee's death a beneficiary or beneficiaries to receive all or part of the options to be delivered to the optionee under this Plan in the event of the death of the optionee at any time on forms prescribed by and filed with the Committee. In the event of the optionee's death, the options to be delivered to the optionee under this Plan with respect to which a designation of a beneficiary has been made (to the extent such designation is valid and enforceable under applicable law) shall be delivered, in accordance with the Plan, to the designated beneficiary or beneficiaries. Any options to be delivered as to which a designation has not been made shall be delivered to the optionee's estate. If there is any question as to the legal right of any beneficiary to receive delivery of the Plan pursuant to the Plan, the options (and shares issuable upon the exercise thereof) may be delivered in the sole discretion of the Committee to the estate of the optionee, in which event neither the Company nor any Subsidiary shall have any further liability to anyone with respect to such options.
15. SUBSTITUTIONS AND ASSUMPTIONS OF OPTIONS OF CERTAIN CONSTITUENT CORPORATIONS. Anything in this Plan to the contrary notwithstanding, the Board of Directors may, without further approval by the stockholders, substitute new options for prior options of a Constituent Corporation or assume the prior options of such Constituent Corporation.
16. DEFINITIONS.
  - (a) Subsidiary. The term "Subsidiary" shall have the same definition as "subsidiary corporation" in Section 425(f) of the Code.
  - (b) Parent. The term "Parent" shall have the same definition as "parent corporation" in Section 425(e) of the Code.
  - (c) Constituent Corporation. The term "Constituent Corporation" shall mean any corporation which engages with the Company or any of its Subsidiaries in a transaction to which Section 425(a) of the Code applies (or would apply if the option assumed or substituted were an incentive stock option), or any Parent or any Subsidiary of such corporation.
17. STOCKHOLDERS' APPROVAL. The Company has determined that stockholder approval is not required in order to grant options under this Plan. In the event that, in the future, the Company determines that stockholder approval is required in order to grant options under this Plan and thereafter seeks such approval, if such approval is declined by the stockholders, then any options granted hereunder may be rescinded in whole or in part in the Company's discretion.
18. GOVERNING LAW. The Plan and all rights hereunder shall be construed in accordance with and governed by the internal laws of the State of Delaware.
19. COMPLIANCE WITH RULE 16b-3. With respect to optionees subject to Section 16 of the 1934 Act, transactions under the Plan are intended to comply with all applicable conditions of Rule 16b-3 or its successors under the 1934 Act. To the extent any provision of the Plan or action by the Committee fails to so comply, it shall be deemed null

and void, to the extent permitted by law and deemed null and void, to the extent permitted by law and deemed advisable by the Committee.

## EXHIBIT 4.4

, 199\_

Dear (name):

I am pleased to advise you that the Board of Directors of CUC International Inc. (the "Corporation") on \_\_\_\_\_ authorized the granting to you of a non-statutory option to purchase \_\_\_\_\_ shares of common stock, \$.01 par value, of the Corporation (the "Common Stock") at a price of \$\_\_\_\_\_ per share (the "Exercise Price"), which the Board believes to be the fair market value on that date. Your option has been granted under the Company's 1992 Employee Stock Option Plan (the "Plan").

Terms not defined herein shall have the meaning set forth in the Plan.

Your option may be exercised under the following terms:

(a) This option shall not be transferrable except: by will or the laws of descent and distribution; pursuant to a domestic relations order, as defined in the Internal Revenue Code of 1986, as amended (the "Code") or Title I of the Employee Retirement Security Act or the rules thereunder; or as a gift to your family members, trusts for the benefit of your family members or charities or other not-for-profit organizations.

(b) Subject to the provisions of paragraphs (e), (f) and (g) hereof, this option may be exercisable by you as follows:

You may purchase \_\_\_\_ (%) of the Common Stock for which options are herein granted on or after February 1, 199\_ and an additional \_\_\_\_ (%) on or after each successive February 1.

Your right to exercise this option shall be cumulative. The Board of Directors of the Corporation may at any time accelerate the vesting of this option. This option shall expire on the tenth anniversary of the date of grant.

(c) If required by the Corporation, prior to the delivery to you of a certificate or certificates representing the shares of Common Stock purchased by you upon the exercise of this option, you shall have deposited with the Corporation a non-disposition letter (restricting disposition by you of the shares of Common Stock) in form satisfactory to counsel for the Corporation.

(d) In the event of a stock split, stock dividend, recapitalization, reorganization, merger, consolidation, extraordinary dividend, split-up, spin-off, combination, stock repurchase, exchange of shares, warrants or rights offering to purchase stock at a price substantially below fair market value or other similar corporate event affecting the Common Stock, the number and kind of shares subject to this option and the Exercise Price shall be equitably adjusted (including by payment of cash to you) in the discretion of the committee of the Board of Directors (the "Committee") that administers the Plan in order to preserve the benefits or potential benefits intended to be made available to you under this option. The determination of the Committee as to what adjustments shall be made, and the extent thereof, shall be final. Unless otherwise determined by the Committee, such adjustments shall be subject to the same vesting schedule and restrictions to which this option is subject. No fractional shares of Common Stock shall be reserved or authorized or made subject to this option by any such adjustment.

(e) Notwithstanding anything herein to the contrary, if the Board of Directors of the Corporation or any committee of the Board of Directors, after full consideration of the facts, finds by majority vote that you have engaged in fraud, embezzlement, theft, commission of a felony, or dishonesty in the course of your employment by the Corporation, you shall forfeit all unexercised options for

which the Corporation has not yet delivered share certificates, in each case whether such options are granted by this letter or otherwise. The decision of the Board of Directors of the Corporation or such committee shall be final.

(f) Subject to paragraph (e) hereof, if you die while in the employ of the Corporation or any of its affiliates or subsidiaries or if you die within a period of three (3) months after your employment has terminated or if your employment is terminated by reason of permanent and total disability (as defined in Section 22(e)(3) of the Code), this option shall become immediately exercisable in full and, in the case of your death, your estate shall have the right to exercise your options hereunder. You may designate, in writing on forms to be provided to you by the Committee, a beneficiary or beneficiaries to receive all or part of the options upon your death.

(g) Subject to paragraph (e) hereof, in the event your employment with the Corporation or any of its affiliates or subsidiaries is terminated for any reason other than death or permanent and total disability (as defined in Section 22(e)(3) of the Code), you shall be entitled to exercise your options hereunder, to the extent exercisable on the date of termination, at any time within four (4) months from such termination, but in no event thereafter or after the expiration of the term of the option.

(h) You may pay for shares purchased pursuant hereto as follows:

(i) You may pay the Exercise Price per share in cash or check at the time of exercise.

(ii) You may pay the Exercise Price by remitting to the Corporation in cash or by check an amount equal to or greater than the product of (a) the par value of the Corporation's Common Stock and (b) the number of shares of Common Stock acquired pursuant to the exercise of this option (such amount is hereinafter referred to as the "Minimum Payment") and by executing a promissory note for the balance equal to (A) the product of (i) the Exercise Price and (ii) the number of shares of Common Stock acquired pursuant to the exercise of this option less (B) the Minimum Payment (such balance is hereinafter referred to as the "Principal Amount"). Pursuant to the terms of the promissory note, interest will be charged per year at the lowest interest rate in effect at the time of exercise, which will prevent any imputation of income under Sections 483 or 7872 of the Code. Five years from the date of exercise, the Principal Amount plus interest compounded annually will be due. In the discretion of the Corporation's Board of Directors, the Corporation may demand repayment of the Principal Amount plus accrued interest upon a termination of your employment with the Corporation or any of its subsidiaries. With notice of your exercise of your option, you must give notice of your election to use the loan arrangement described above. In the discretion of the Corporation's Board of Directors, you may be required to execute a pledge agreement. The Corporation will retain possession of certificates representing shares of Common Stock acquired pursuant to the exercise of this option until the loan is repaid in full;

(iii) You may arrange for a "cashless" stock option exercise with the Corporation's exercise facilitator pursuant to which such exercise facilitator will pay the Exercise Price per share in cash or check at the time of exercise; or

(iv) You may pay with any other legal consideration that may be acceptable to the Committee in its sole discretion at the time of exercise.

When you wish to exercise your stock option in whole or in part, please refer to the provisions of this letter and correspond in writing with the Secretary of the Corporation. This is not an incentive stock option under Section 422A of the Code.

Very truly yours,

E. Kirk Shelton  
President and Chief Operating Officer

AS AMENDED THROUGH JUNE 11, 1997

CUC INTERNATIONAL INC.

1992 BONUS AND SALARY REPLACEMENT

## STOCK OPTION PLAN

1. PURPOSES OF THE PLAN. This stock option plan (the "Plan") is designed to give key employees, consultants, advisors and vendors of CUC International Inc., a Delaware corporation (the "Company"), and its present and future Subsidiaries, as defined in Paragraph 15, the opportunity to receive stock option grants in lieu of certain salary increases and all or a portion of their respective bonuses or fees and to offer an additional inducement in obtaining the services of such individuals. No grant hereunder shall be made to any director, nor to any employee who the Company determines is an "officer" within the meaning of Section 16 of the 1934 Act, as hereinafter defined. The Plan provides for the grant of only "non-qualified stock options" governed by Section 83 of the Internal Revenue Code of 1986, as amended (the "Code").
2. STOCK SUBJECT TO THE PLAN. Options may be granted under the Plan to purchase in the aggregate not more than Seventeen Million Four Hundred Six Thousand Two Hundred Fifty (17,406,250) shares of Common Stock, \$.01 par value per share, of the Company ("Common Stock"), which shares may, in the discretion of the Board of Directors, consist either in whole or in part of authorized but unissued shares of Common Stock or shares of Common Stock held in the treasury of the Company. The Company shall at all times during the term of the Plan reserve and keep available such number of shares of Common Stock as will be sufficient to satisfy the requirements of the Plan. Subject to the provisions of Paragraph 12, any shares subject to an option which for any reason expires, is canceled or is terminated unexercised as to such shares shall again become available for option under the Plan.
3. ADMINISTRATION OF THE PLAN. The Plan shall be administered by a Committee (the "Committee") consisting of not less than two members of the Board of Directors, each of whom shall be a Non-Employee Director of the Company within the meaning of Rule 16b-3 or its successors under the 1934 Act. A majority of the members shall constitute a quorum, and the acts of a majority of the members present at any meeting at which a quorum is present, and any acts approved in writing by all members without a meeting, shall be the acts of the Committee.

Subject to the express provisions of the Plan, the Committee shall have the authority, in its sole discretion, to determine the individuals who shall receive options; the times when they shall receive them; the number of shares to be subject to each option; the term of each option; the date each option shall become exercisable; whether an option shall be exercisable in whole, in part or in installments, and if in installments, the number of shares to be subject to each installment; the date each installment shall become exercisable and the term of each installment; to accelerate the date of exercise of any installment; whether shares may be issued on exercise of an option as partly paid, and, if so, the dates when future installments of the exercise price shall become due and the amounts of such installments; the exercise price; the form of payment upon exercise; to require that the individual remain employed in some capacity with the Company or its Subsidiaries for a period of time from and after the date the option is granted to him; the amount necessary to satisfy the Company's withholding obligation; to restrict the sale or other disposition of the shares of Common Stock acquired upon the exercise of an option and to waive any such restriction; to construe the respective option agreements and the Plan; to make all other determinations necessary or advisable for administering the Plan; and, with the consent of the optionee, to cancel or

modify an option, provided such option as modified does not violate the terms of the Plan. The determinations of the Committee on the matters referred to in this Paragraph 3 shall be conclusive.

No member of the Committee shall be liable for anything whatsoever in connection with the administration of the Plan except such member's own willful misconduct. Under no circumstances shall any member of the Committee be liable for any act or omission of any other member of the Committee. In the performance of its functions with respect to the Plan, the Committee shall be entitled to rely upon information and advice furnished by the Company's officers, the Company's accountants, the Company's counsel and any other party the Committee deems necessary and no member of the Committee shall be liable for any action taken or not taken in reliance upon any such advice.

4. **ELIGIBILITY.** The Committee may, consistent with the purpose of the Plan, grant options from time to time, within 10 years from the date of adoption of the Plan by the Board of Directors, to key employees, consultants, advisors, or vendors of the Company or any of its Subsidiaries and covering such number of shares of Common Stock as it may determine. No consultant, advisor, or vendor of the Company shall be eligible to receive option grants unless bona fide services shall be rendered by such consultant, advisor, or vendor and such services are not in connection with the offer of sale of securities in a capital raising transaction.
5. **EXERCISE PRICE.** The exercise price of the shares of Common Stock under each option shall be determined by the Committee, but in no event shall such purchase price be less than 100% of the fair market value of the Common Stock on the date of grant. The fair market value of the Common Stock on any day shall be (a) if the principal market for the Common Stock is a national securities exchange, the closing sale price of the Common Stock on such day as reported by such exchange or on a consolidated tape reflecting transactions on such exchange, (b) if the principal market for the Common Stock is not a national securities exchange and the Common Stock is quoted on the National Association of Securities Dealers Automated Quotations System ("NASDAQ"), and (i) if the Common Stock is quoted on the NASDAQ National Market System, the closing sale price of the Common Stock on such day, or (ii) if the Common Stock is not quoted on the NASDAQ National Market System, the average between the highest bid and the lowest asked prices for the Common Stock on such day on NASDAQ, or (c) if the principal market for the Common Stock is not a national securities exchange and the Common Stock is not quoted on NASDAQ, the average between the highest bid and lowest asked prices for the Common Stock on such day as reported by National Quotation Bureau, Incorporated; provided that if clauses (a), (b) and (c) of this Paragraph are all inapplicable, or if no trades have been made or no quotes are available for such day, the fair market value of the Common Stock shall be determined by the Committee by any method consistent with applicable regulations adopted by the Treasury Department relating to stock options. The determination of the Committee shall be conclusive in determining the fair market value of the stock.
6. **TERM OF OPTION.** The term of each option granted pursuant to the Plan shall be such term as is established by the Committee, in its sole discretion, at the time such option is granted. Options shall be subject to earlier termination as hereinafter provided.
7. **EXERCISE OF OPTION.** An option (or any part or installment thereof) shall be exercised by giving written notice to the Company at its principal office (at present 707 Summer Street, Stamford, Connecticut 06901), specifying the number of shares as to which such option is being exercised and accompanied by payment in full of the aggregate exercise price thereof (or the amount due on exercise if the Stock Option Contract permits installment payments) (i) in cash or by certified check, or (ii) any other method which the Committee may approve.

The Company shall have the right to deduct and withhold from any cash otherwise payable to an optionee, or require that an optionee make arrangements satisfactory to the Company for payment of, such amounts as the Company shall determine for the purpose of satisfying its liability to withhold Federal, state or local income or FICA taxes incurred by reason of the grant or exercise of an option.

Certificates representing the shares purchased shall be issued as promptly as practicable, provided that the Company may postpone issuing certificates for such shares for such time as the Company, in its sole discretion, may deem necessary or desirable in order to enable it to comply with any requirements of the 1933 Act or the 1934 Act, as hereinafter defined, the listing requirements of any securities exchange on which the Company's Common Stock may now or hereafter be listed, or any applicable laws of any jurisdiction relating to the authorization, issuance or sale of securities. With respect to persons subject to Section 16 of the 1934 Act, the Company reserves the right to defer distribution of share certificates issuable upon exercise of an option by such person until at least six months have elapsed from the date of grant of the option. The holder of an option shall not have the rights of a stockholder with respect to the shares covered by his option until the date of issuance of a stock certificate to him for such shares. In no case may a fraction of a share be purchased or issued under the Plan.

8. **TERMINATION OF EMPLOYMENT OR ENGAGEMENT.** Any optionee whose employment or engagement with the Company (and its Subsidiaries) has terminated for any reason other than death or permanent and total disability (as defined in Section 22(e) (3) of the Code) may exercise his option at the time or times provided in the Stock Option Contract and no such termination shall cause any forfeiture of such option.

Nothing in the Plan or in any option granted under the Plan shall confer on any individual any right to continue in the employ or engagement of the Company or any of its Subsidiaries, or interfere in any way with the right of the Company or any of its Subsidiaries to terminate the individual's employment or engagement at any time for any reason whatsoever without liability to the Company or any of its Subsidiaries.

9. **DEATH OR DISABILITY OF AN OPTIONEE.** If an optionee dies while he is employed or engaged by the Company or any of its Subsidiaries or within three months after the termination of employment or engagement, or if the optionee's employment or engagement has terminated by reason of permanent and total disability (as defined in Section 22(e)(3) of the Code), options granted under this Plan shall become immediately exercisable by his executor, administrator or other person at the time entitled by law to his rights under the option.

10. **STOCK OPTION CONTRACTS.** Each option shall be evidenced by an appropriate Stock Option Contract, and shall contain such terms and conditions not inconsistent herewith as may be determined by the Committee, and which may provide, among other things, that in the event of the exercise of such option, unless the shares of Common Stock received upon such exercise shall have been registered under an effective registration statement under the 1933 Act, such shares will be acquired for investment and not with a view to distribution thereof, and that such shares may not be sold except in compliance with the applicable provisions of the 1933 Act.

11. **ADJUSTMENTS UPON CHANGES IN COMMON STOCK; CHANGE OF CONTROL.** Notwithstanding and other provisions of the Plan, in the event of any change in the outstanding Common Stock by reason of a stock dividend, recapitalization, merger, consolidation, reorganization, split-up, combination or exchange of shares or the like, the aggregate number and kind of shares subject to each outstanding option and the exercise prices shall be appropriately adjusted by the Board of Directors, whose determination shall be conclusive.

In the event of a "change in control," as hereinafter defined, options granted under this Plan shall become



immediately exercisable. A "change in control" shall be deemed to have occurred if (i) a tender offer shall be made and consummated for the ownership of 51% or more of the outstanding voting securities of the Company, (ii) the Company shall be merged or consolidated with another corporation and as a result of such merger or consolidation less than 60% of the outstanding voting securities of the surviving or resulting corporation shall be owned in the aggregate by the former shareholders of the Company, other than affiliates (within the meaning of the 1934 Act) of any party to such merger or consolidation, as the same shall have existed immediately prior to such merger or consolidation, (iii) the Company shall sell substantially all of its assets to another corporation which is not a wholly owned subsidiary, or (iv) a person within the meaning of Section 3(a)(9) or of Section 13 (d) (3) (as in effect on the date hereof) of the 1934 Act, shall acquire 40% or more of the outstanding voting securities of the Company (whether directly, indirectly, beneficially or of record). For purposes hereof, ownership of voting securities shall take into account and shall include ownership as determined by applying the provisions of Rule 13d-3(d) (1) (i) (as in effect on the date hereof) pursuant to the 1934 Act.

12. AMENDMENTS AND TERMINATION OF THE PLAN. The Plan was adopted by the Board of Directors on January 20, 1992. No options may be granted under the Plan after December 31, 2001. The Board of Directors, without approval of the Company's stockholders, may at any time suspend or terminate the Plan, in whole or in part, or amend it from time to time in such respects as it may deem advisable, including, without limitation, to conform to any change in applicable law or to regulations or rulings of administrative agencies. No termination, suspension or amendment of the Plan shall, without the consent of the holder of an existing option affected thereby, adversely affect his rights under such option.
13. TRANSFERABILITY OF OPTIONS. Options granted under the Plan shall be transferable by the optionee only pursuant to the following methods: by will or the laws of descent and distribution; pursuant to a domestic relations order, as defined in the Code or Title I of the Employee Retirement Income Security Act, or the rules thereunder; or as a gift to family members of the optionee, trusts for the benefit of family members of the optionee or charities or other not-for-profit organizations. Except to the extent provided in this Paragraph and Paragraph 9, options may not be assigned, transferred, pledged, hypothecated or disposed of in any way (whether by operation of law or otherwise), shall not be subject to execution, attachment or similar process, and may be exercised during the lifetime of the holder thereof only by such holder.
14. SUBSTITUTIONS AND ASSUMPTIONS OF OPTIONS OF CERTAIN CONSTITUENT CORPORATIONS. Anything in this Plan to the contrary notwithstanding, the Board of Directors may, without approval by the stockholders, substitute new options for prior options of a Constituent Corporation (as defined in Paragraph 15) or assume the prior options of such Constituent Corporation.
15. DEFINITIONS.
  - (a) Subsidiary. The term "Subsidiary" shall have the same definition as "subsidiary corporation" in Section 425(f) of the Code.
  - (b) Parent. The term "Parent" shall have the same definition as "parent corporation" in Section 425(e) of the Code.
  - (c) Constituent Corporation. The term "Constituent Corporation" shall mean any corporation which engages with the Company or any of its Subsidiaries in a transaction to which Section 425(a) of the Code applies, or any Parent or any Subsidiary of such corporation.
  - (d) 1933 Act. The term "1933 Act" shall mean the Securities Act of 1933, as amended, and any rules or

regulations promulgated thereunder.

(e) 1934 Act. The term "1934 Act" shall mean the Securities Exchange Act of 1934, as amended, and any rules or regulations promulgated thereunder.

16. STOCKHOLDERS' APPROVAL. The Company has determined that stockholder approval is not required in order to grant options under this Plan. In the event that, in the future, the Company determines that stockholder approval is required in order to grant options under this Plan and thereafter seeks such approval, if such approval is declined by the stockholders, then any options granted hereunder may be rescinded in Company's discretion. In such event, the optionee shall be entitled to receive the amount of the salary increase and/or bonus such optionee would have been entitled to receive if such options were not granted, plus interest, which shall be calculated at a rate of six percent per annum.
17. GOVERNING LAW. The Plan and all rights hereunder shall be construed in accordance with and governed by the internal laws of the State of Delaware.
18. COMPLIANCE WITH RULE 16b-3. With respect to optionees subject to Section 16 of the 1934 Act, transactions under the Plan are intended to comply with all applicable conditions of Rule 16b-3 or its successors under the 1934 Act. To the extent any provision of the Plan or action by the Committee fails to so comply, it shall be deemed null and void, to the extent permitted by law and deemed advisable by the Committee.

, 199\_

Dear (name):

I am pleased to advise you that the Board of Directors of CUC International Inc. (the "Corporation") on \_\_\_\_\_, 199\_ authorized the granting to you of a non-statutory option to purchase \_\_\_\_\_ shares of common stock, \$.01 par value, of the Corporation (the "Common Stock") at a price of \$\_\_\_\_ per share (the "Exercise Price"), which the Board believes to be the fair market value on that date. Your option has been granted under the Company's 1992 Bonus and Salary Replacement Stock Option Plan (the "Plan").

Terms not defined herein shall have meaning set forth in the Plan.

Your option may be exercised under the following terms:

- (a) This option shall not be transferable except: by will or the laws of descent and distribution; pursuant to a domestic relations order, as defined in the Internal Revenue Code of 1986, as amended (the "Code") or Title I of the Employee Retirement Security Act or the rules thereunder; or as a gift to your family members, trusts for the benefit of your family members or charities or other not-for-profit organizations.
- (b) Subject to the provisions of paragraphs (e), (f), (g) and (h) hereof, this option may be exercisable by you as follows:

You may purchase \_\_\_\_\_ of the Common Stock for which options are herein granted on or after February 1, 199\_ and an additional \_\_\_\_\_ on or after each successive February 1.

Your right to exercise this option shall be cumulative. The Board of Directors of the Corporation may at any time accelerate the vesting of this option. This option shall expire on the tenth anniversary of the date of grant.

- (c) If required by the Corporation, prior to the delivery to you of a certificate or certificates representing the shares of Common Stock purchased by you upon the exercise of this option, you shall have deposited with the Corporation a non-disposition letter (restricting disposition by you of the shares of Common Stock) in form satisfactory to counsel for the Corporation.
- (d) In the event of a stock split, stock dividend, recapitalization, merger, consolidation, reorganization, split-up, combination, or exchange of shares or the like, the number and kind of shares subject to this option and the Exercise Price shall be appropriately adjusted by the Board of Directors. The determination of the Board of Directors shall be final.
- (e) Notwithstanding anything herein to the contrary, if the Board of Directors of the Corporation or any committee of the Board of Directors, after full consideration of the facts, finds by majority vote that you have engaged in fraud, embezzlement, theft, commission of a felony, or dishonesty in the course of your employment by the Corporation, you shall forfeit all unexercised options for which the Corporation has not yet delivered share certificates, in each case whether such options are granted by this letter or otherwise. The decision of the Board of Directors of the Corporation or such committee shall be final.
- (f) Subject to paragraph (e) hereof, if you die while in the employ or engagement of the Corporation or any of its affiliates or subsidiaries or if you die within a period of three (3) months after your employment or engagement has terminated, or if your employment or engagement is

terminated by reason of permanent and total disability (as defined in Section 22(e)(3) of the Code), this option shall become immediately exercisable in full and, in the case of your death, your estate shall have the right to exercise your options hereunder.

- (g) Subject to paragraph (e) hereof, in the event your employment or engagement with the Corporation or any of its affiliates or subsidiaries is terminated for any reason other than death or permanent and total disability (as defined in Section 22(e)(3) of the Code), you shall be entitled to exercise your rights hereunder as if your employment or engagement had not been terminated.
- (h) In the event of a "change in control," as hereinafter defined, your options shall become immediately exercisable. A "change in control" shall be deemed to have occurred if (i) a tender offer shall be made and consummated for the ownership of 51% or more of the outstanding voting securities of the Corporation, (ii) the Corporation shall be merged or consolidated with another corporation and as a result of such merger or consolidation less than 60% of the outstanding voting securities of the surviving or resulting corporation shall be owned in the aggregate by the former shareholders of the Corporation, other than affiliates (within the meaning of the Securities and Exchange Act of 1934, as amended (the "1934 Act")) of any party to such merger or consolidation, as the same shall have existed immediately prior to such merger or consolidation, (iii) the Corporation shall sell substantially all of its assets to another corporation which is not a wholly owned subsidiary, or (iv) a person within the meaning of Section 3 (a)(9) or of Section 13(d)(3) (as in effect on the date hereof) of the 1934 Act, shall acquire 40% or more of the outstanding voting securities of the Corporation (whether directly, indirectly, beneficially or of record). For purposes hereof, ownership of voting securities shall take into account and shall include ownership as determined by applying the provisions of Rule 13d-3(d)(1)(i) (as in effect on the date hereof) pursuant to the 1934 Act.
- (i) You may pay for shares purchased pursuant hereto (together with any withholding taxes due with respect thereto) in cash or by check at the time of exercise or with any other legal consideration that may be acceptable to the Board of Directors of the Corporation in its sole discretion at the time of exercise.

When you wish to exercise your stock option in whole or in part, please refer to the provisions of this letter and correspond in writing with the Secretary of the Corporation. This is not an incentive stock option under Section 422A of the Code. This option may be subject to approval by the Corporation's stockholders.

Very truly yours,

E. Kirk Shelton  
President and Chief Operating Officer

EKS:kg

May 27, 1997

[Recipient]

Dear [Recipient]:

I am pleased to advise you that the Compensation Committee ("Committee") of the Board of Directors ("Board") of CUC International Inc. (the "Corporation") has granted you non-statutory employee options ("Options") to purchase \_\_\_\_\_ shares of common stock, \$.01 par value, of the Corporation (the "Common Stock") at a price of \$20.50 per share (the "Exercise Price"), which the Committee believes to be the fair market value of a share of Common Stock on April 18, 1997, the date of grant of the Options.

Your option may be exercised under the following terms:

- (a) You may purchase all or any part of the shares of the Common Stock for which Options are herein granted (the "Option Shares") on or after the date of the grant thereof through the tenth anniversary of the date of grant of such Options, April 18, 2007 (the "Expiration Date"). The Options shall terminate and may not be exercised after the Expiration Date.
- (b) You may pay for Option Shares purchased pursuant hereto (together with any withholding taxes due with respect thereto) in cash or by check at the time of exercise or with any other legal consideration that may be acceptable to the Committee in its sole discretion at the time of exercise. Prior to any issuance of Option Shares upon exercise of Options, you must pay or make adequate provision for the payment of any applicable federal, state or other withholding obligations of the Corporation.
- (c) The Options shall not be transferable except by will or the laws of descent and distribution or pursuant to a domestic relations order, as defined in the Internal Revenue Code of 1986, as amended (the "Code") or Title I of the Employee Retirement Security Act or the rules thereunder. The Options may not be sold, pledged, assigned, hypothecated, transferred or disposed of in any manner other than as set forth in the preceding sentence. The terms of this letter will be binding upon your executors, administrators and successors.
- (d) Notwithstanding any other provision hereof, Option Shares shall not be issued to you unless the exercise of the Options and the issuance and delivery of such Option Shares shall comply with all relevant provisions of law. You understand that the Option Shares have not yet been registered under the Securities Act of 1933, as amended (the "Act"), and must be held by you indefinitely upon your exercise of your Options to purchase Option Shares unless and until such Option Shares are registered under the Act or an exemption from such registration is available upon disposition. The Corporation shall use all commercially reasonable efforts to file with the Securities and Exchange Commission within thirty (30) days after the date of this letter, a registration statement on Form S-8 (or another appropriate form) in respect of the Option Shares. You acknowledge that until such a registration under the Act becomes effective, a legend is required on the certificates for the Option Shares to reflect the fact that the Option Shares have not yet been registered under the Act, and agree that such a legend may be placed on the certificates for the Option Shares by the Corporation until such time as counsel to the Corporation is of the opinion that such legend may be removed. In addition, if required by the Corporation, prior to the delivery to you of a certificate or certificates representing the Option Shares purchased by you upon the exercise of the Options, you shall deposit with the

Corporation a non-disposition letter (restricting disposition by you of the Option Shares) in form satisfactory to counsel for the Corporation.

- (e) In the event of a stock split, stock dividend, recapitalization, merger, consolidation, reorganization, split-up, combination, or exchange of shares or the like, the number and kind of shares subject to the Options and the Exercise Price shall be appropriately adjusted by the Board of Directors. The determination of the Board of Directors in this regard shall be final.
- (f) You shall not have any of the rights of a stockholder of the Corporation with respect to any Option Shares, including the right to receive dividends or distributions or to vote at meetings of the stockholders of the Corporation, unless and until the Options with respect to such Option Shares are properly exercised.
- (g) The Options are granted to you in connection with your provision of services to the Corporation. Nothing in this letter or otherwise confers upon you any right to continue in the employ of the Corporation or any parent, subsidiary or affiliate of the Corporation or limit in any way the right of the Corporation or any parent, subsidiary or affiliate to terminate your relationship at any time, with or without cause.
- (h) The exercise of the Options and the disposition of the Option Shares will have federal and state tax consequences to you. You should consult your tax advisor prior to exercising any Options or disposing of any Option Shares.
- (i) Any dispute regarding interpretation of this letter or the terms of the Options will be submitted by you or the Corporation to the Committee, which will review the dispute at its next regular meeting. The resolution of the dispute by the Committee will be final and binding on you and the Corporation.
- (j) This letter and the Options granted hereunder shall be governed by, and construed in accordance with, the laws of the State of Delaware, without giving effect to the conflicts of laws principles thereof.
- (k) The Options described herein are not incentive stock options under Section 422A of the Code.

When you wish to exercise your Options, in whole or in part, please refer to the provisions of this letter and correspond in writing with the General Counsel of the Corporation.

Very truly yours,

E. Kirk Shelton  
President and Chief Operating Officer

I hereby acknowledge receipt of this Option grant letter. I represent that I have read and understand the terms and provisions contained herein, and accept this grant of Options to purchase \_\_\_\_\_ shares of Common Stock at an Exercise Price of \$20.50 per share with an Expiration Date of April 18, 2007. I acknowledge that there may be adverse tax consequences to me upon exercise of Options or disposition of Option Shares, and that I should consult a tax advisor prior to such exercise or disposition.

---

[Recipient]

EKS:jag