UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2008

OR

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

for the transition period from to

Commission File Number 001-15253

JANUS CAPITAL Group

Janus Capital Group Inc.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**43-1804048** (I.R.S. Employer Identification No.)
151 Detroit Street, Denver, Colorado (Address of principal executive offices)	**80206** (Zip Code)

(303) 333-3863
(Registrant's telephone number, including area code)

Not applicable
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Company was required to file such reports), and (2) has been subject to the filing requirements for at least the past 90 days.
Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," "non-accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.
Large Accelerated Filer ☒ Accelerated Filer ☐ Non-Accelerated Filer ☐ Smaller Reporting Company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ☐ No ☒

As of October 17, 2008, there were 157,853,879, shares of the Company's common stock, $.01 par value per share, issued and outstanding.

PART I - FINANCIAL INFORMATION
Item 1. Financial Statements

JANUS CAPITAL GROUP INC.

CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(Dollars in Millions)

	September 30, 2008	December 31, 2007
ASSETS		
Current assets:		
Cash and cash equivalents	$ 297.6	$ 480.7
Marketable securities	168.7	210.7
Accounts receivable	136.1	164.5
Income taxes receivable	32.0	5.9
Other current assets	59.7	62.3
Assets related to discontinued operations	5.9	29.8
Total current assets	700.0	953.9
Other assets:		
Other assets	109.8	112.2
Property and equipment, net	49.5	46.5
Intangibles, net	1,324.6	1,310.4
Goodwill	1,184.2	1,141.1
Total assets	$ 3,368.1	$ 3,564.1
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 0.5	$ 2.2
Accrued compensation and benefits	92.6	134.5
Current portion of long-term debt	22.0	—
Other accrued liabilities	59.7	79.2
Liabilities related to discontinued operations	3.5	10.8
Total current liabilities	178.3	226.7
Other liabilities:		
Long-term debt	1,105.9	1,127.7
Deferred income taxes	402.3	404.3
Other liabilities	62.2	65.7
Total liabilities	1,748.7	1,824.4
Commitments and contingencies		
Minority interest	15.2	16.2
STOCKHOLDERS' EQUITY		
Preferred stock	—	—
Common stock	1.6	1.7
Retained earnings	1,600.6	1,717.0
Accumulated other comprehensive income	2.0	4.8
Total stockholders' equity	1,604.2	1,723.5
Total liabilities and stockholders' equity	$ 3,368.1	$ 3,564.1

The accompanying notes are an integral part of these consolidated financial statements.

JANUS CAPITAL GROUP INC.

CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
(Dollars in Millions, Except Per Share Data)

	Three months ended September 30,		Nine months ended September 30,	
	2008	2007	2008	2007
Revenues:				
Investment management fees	$ 218.9	$ 228.5	$ 684.2	$ 650.0
Performance fees	8.8	5.1	26.0	11.4
Shareowner servicing fees and other	47.7	51.0	150.6	144.1
Total	275.4	284.6	860.8	805.5
Operating Expenses:				
Employee compensation and benefits	81.2	91.1	264.6	265.3
Long-term incentive compensation	10.7	13.8	35.3	49.5
Marketing and advertising	8.0	6.5	24.5	16.6
Distribution	36.5	35.4	111.0	100.5
Depreciation and amortization	10.1	8.9	30.7	24.7
General, administrative and occupancy	35.6	33.1	106.8	89.8
Total	182.1	188.8	572.9	546.4
Operating Income	93.3	95.8	287.9	259.1
Interest expense	(18.9)	(18.9)	(56.6)	(39.9)
Investment gains (losses), net	(32.3)	0.5	(38.8)	1.7
Other income, net	1.4	8.4	6.6	18.6
Income before taxes, equity earnings and minority interest	43.5	85.8	199.1	239.5
Income tax provision	(17.2)	(32.0)	(65.5)	(88.3)
Equity in earnings of unconsolidated affiliate	2.5	1.9	6.8	5.3
Minority interest in consolidated earnings	(2.8)	(4.9)	(9.8)	(16.1)
Income from continuing operations	26.0	50.8	130.6	140.4
Loss from discontinued operations	(0.6)	(38.6)	(1.5)	(43.8)
Net Income	$ 25.4	$ 12.2	$ 129.1	$ 96.6
Earnings per Share-Basic:				
Income from continuing operations	$ 0.17	$ 0.30	$ 0.82	$ 0.78
Loss from discontinued operations	—	(0.23)	(0.01)	(0.24)
Net income	$ 0.17	$ 0.07	$ 0.81	$ 0.54
Earnings per Share-Diluted:				
Income from continuing operations	$ 0.16	$ 0.29	$ 0.80	$ 0.77
Loss from discontinued operations	—	(0.22)	(0.01)	(0.24)
Net income	$ 0.16	$ 0.07	$ 0.79	$ 0.53

The accompanying notes are an integral part of these consolidated financial statements.

JANUS CAPITAL GROUP INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(Dollars in Millions)

	Nine months ended September 30,	
	2008	2007
CASH FLOWS PROVIDED BY (USED FOR):		
Continuing Operations		
Operating Activities:		
Net income from continuing operations	$ 130.6	$ 140.4
Adjustments to net income:		
Depreciation and amortization	30.7	24.7
Deferred income taxes	(8.9)	27.0
Minority interest in consolidated earnings	9.8	16.1
Amortization of stock-based compensation	25.3	33.0
Investment gains (losses), net	38.8	(0.4)
Payment of deferred commissions, net	(2.2)	(26.2)
Other, net	4.4	(5.5)
Changes in working capital items:		
Accounts receivable	28.4	(13.7)
Other current assets	(26.6)	(3.0)
Accounts payable and accrued compensation payable	(46.3)	(3.5)
Other accrued liabilities	(15.9)	14.9
Net operating	168.1	203.8
Investing Activities:		
Purchase of property and equipment	(14.1)	(13.6)
Acquisitions of INTECH	(67.7)	(81.0)
Purchase of marketable securities	(63.7)	(62.0)
Proceeds from sales and maturities of marketable securities	65.8	120.4
Distribution of cash from discontinued operations	13.5	—
Net investing	(66.2)	(36.2)
Financing Activities:		
Proceeds from issuance of long-term debt	—	748.4
Debt issuance costs	—	(6.9)
Repayment of long-term debt	—	(158.1)
Proceeds from stock plans	21.5	51.4
Excess tax benefit from equity-based compensation	4.4	5.3
Repurchase of common stock	(289.8)	(675.6)
Distributions to minority interest	(14.6)	(26.6)
Dividends paid to shareholders	(6.5)	(7.2)
Net financing	(285.0)	(69.3)
Cash and Cash Equivalents:		
Net increase (decrease)	(183.1)	98.3
At beginning of period	480.7	507.1
At end of period	$ 297.6	$ 605.4
Discontinued Operations:		
Operating activities	$ (5.0)	$ (1.8)
Investing activities	2.8	(1.4)
Net decrease	(2.2)	(3.2)
Cash at beginning of period	4.3	52.6
Cash at end of period	$ 2.1	$ 49.4
Supplemental Cash Flow Information:		
Cash paid for interest	$ 44.0	$ 27.6
Cash paid for income taxes	$ 94.1	$ 51.2

The accompanying notes are an integral part of these consolidated financial statements.

JANUS CAPITAL GROUP INC.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (UNAUDITED)
(Amounts in Millions, Except Per Share Data)

	Shares	Common Stock	Retained Earnings	Accumulated Other Comprehensive Income	Total Stockholders' Equity
Balance at December 31, 2006	193.5	$ 1.9	$ 2,293.4	$ 11.1	$ 2,306.4
Cumulative-effect adjustment for the adoption of a new accounting principle			29.9		29.9
Net income			116.3		116.3
Net unrealized gain on marketable securities				5.2	5.2
Amortization of net loss on cash flow hedge				0.4	0.4
Reclassification for net gains included in net income				(12.8)	(12.8)
Foreign currency translation adjustment				0.9	0.9
Comprehensive income					110.0
Amortization of stock-based compensation			50.1		50.1
Issuance and forfeitures of restricted stock awards	0.9				—
Tax impact of stock-based compensation			6.7		6.7
Stock option exercises	4.2		73.2		73.2
Common stock repurchased	(32.3)	(0.2)	(845.4)		(845.6)
Common stock dividends ($0.04 per share)			(7.2)		(7.2)
Balance at December 31, 2007	166.3	1.7	1,717.0	4.8	1,723.5
Net income			129.1		129.1
Net unrealized gain on marketable securities				0.9	0.9
Reclassification for net gains included in net income				(1.0)	(1.0)
Amortization of net loss on cash flow hedge				0.4	0.4
Foreign currency translation adjustment				(3.1)	(3.1)
Comprehensive income					126.3
Amortization of stock-based compensation			23.8		23.8
Issuance and forfeitures of restricted stock awards	1.6				—
Tax impact of stock-based compensation			3.9		3.9
Stock option exercises	1.1		21.5		21.5
Common stock repurchased	(11.1)	(0.1)	(289.7)		(289.8)
Change of interest in subsidiary			1.5		1.5
Common stock dividends ($0.04 per share)			(6.5)		(6.5)
Balance at September 30, 2008	157.9	$ 1.6	$ 1,600.6	$ 2.0	$ 1,604.2

The accompanying notes are an integral part of these consolidated financial statements.

JANUS CAPITAL GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

Note 1 – Basis of Presentation

In the opinion of Janus Capital Group Inc. (collectively, "Janus" or the "Company") management, the accompanying unaudited interim consolidated financial statements contain all adjustments necessary to fairly present the financial position, results of operations and cash flows of the Company in accordance with accounting principles generally accepted in the United States of America ("GAAP"). All such adjustments are of a normal recurring nature. Such unaudited interim financial statements have been prepared in accordance with the instructions to Form 10-Q pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. These consolidated financial statements should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended December 31, 2007.

The accompanying consolidated financial statements have been prepared on a consistent basis with the accounting policies described in Note 2 to the consolidated financial statements that are presented in the Company's Annual Report on Form 10-K for the year ended December 31, 2007.

Note 2 – Recent Accounting Pronouncements

In December 2007, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standard No. 141 (revised 2007), "Business Combinations" ("SFAS 141R"), which establishes principles and requirements for how an acquirer recognizes and measures the identifiable assets acquired, the liabilities assumed and any noncontrolling interest in an acquiree, including the recognition and measurement of goodwill acquired in a business combination. The effective date of SFAS 141R is the Company's fiscal year beginning January 1, 2009. Janus will apply SFAS 141R to any future acquisitions completed on or after January 1, 2009.

In December 2007, the FASB issued Statement of Financial Accounting Standard No. 160, "Noncontrolling Interests in Consolidated Financial Statements, an amendment of Accounting Research Bulletin No. 51" ("SFAS 160"), which establishes accounting and reporting standards for the noncontrolling interest in a subsidiary, and requires noncontrolling interests to be classified as a component of equity in the consolidated financial statements. The effective date of SFAS 160 is the Company's fiscal year beginning January 1, 2009. Subsequently, the SEC announced revisions to Emerging Issues Task Force Topic D-98 "Classification and Measurement of Redeemable Securities" ("EITF D-98") which clarified that noncontrolling interests that are redeemable and whose redemption is not solely controlled by the issuer are not within the scope of SFAS 160. Such interests are within the scope of EITF D-98, which requires that redeemable noncontrolling interests be classified outside of permanent equity at the aggregate of the redemption value and undistributed earnings attributable to the noncontrolling interest at each balance sheet date. The effective date of EITF D-98 is the Company's fiscal year beginning January 1, 2009. Janus has not yet completed an assessment of the impact of SFAS 160 and EITF D-98.

In February 2008, the FASB issued Staff Position 157-2, "Effective Date of FASB 157" ("FSP 157-2") which deferred the provisions of Statement of Financial Accounting Standard No. 157, "Fair Value Measurements" ("SFAS 157") to annual periods beginning after November 15, 2008 for nonfinancial assets and liabilities. The application of the provisions of SFAS 157 to Janus' nonfinancial assets and liabilities will likely result in additional disclosures but is not expected to have a material impact on Janus' fair value measurements.

In October 2008, the FASB issued Staff Position 157-3, "Determining the Fair Value of a Financial Asset in a Market That Is Not Active" ("FSP 157-3"), which clarifies the application of SFAS 157 in an inactive market and provides an illustrative example to demonstrate how the fair value of a financial asset is determined when the market for that financial asset is not active. The guidance provided by FSP 157-3 is consistent with Janus' approach to valuing financial assets for which there are no active markets, including its investment in securities issued by Stanfield Victoria Funding LLC ("Stanfield securities").

In March 2008, the FASB issued Statement of Financial Accounting Standard No. 161, "Disclosures about Derivative Instruments and Hedging Activities, an amendment of FASB Statement No. 133" ("SFAS 161"), which requires enhanced

disclosures about an entity's derivative and hedging activities. The effective date of SFAS 161 is the Company's fiscal year beginning January 1, 2009. Janus has not yet completed an assessment of the impact of SFAS 161.

Note 3 – Earnings Per Share

Basic earnings per common share is calculated by dividing net income by the weighted average number of common shares outstanding during the period. Diluted earnings per common share adjusts the weighted average shares outstanding by the dilutive impact of shares underlying stock options and unvested restricted stock awards. The following is a summary of the earnings per share calculation *(in millions, except per share data)*:

	Three months ended September 30,		Nine months ended September 30,	
	2008	2007	2008	2007
Income from continuing operations	$ 26.0	$ 50.8	$ 130.6	$ 140.4
Loss from discontinued operations	(0.6)	(38.6)	(1.5)	(43.8)
Net income	$ 25.4	$ 12.2	$ 129.1	$ 96.6
Basic earnings per share				
Weighted average common shares outstanding	157.1	171.2	160.0	179.5
Income from continuing operations	$ 0.17	$ 0.30	$ 0.82	$ 0.78
Loss from discontinued operations	—	(0.23)	(0.01)	(0.24)
Basic earnings per share	$ 0.17	$ 0.07	$ 0.81	$ 0.54
Diluted earnings per share				
Weighted average common shares outstanding	157.1	171.2	160.0	179.5
Dilutive effect of stock options and unvested restricted stock using the treasury stock method	2.5	2.7	2.4	2.0
Weighted average diluted common shares outstanding	159.6	173.9	162.4	181.5
Income from continuing operations	$ 0.16	$ 0.29	$ 0.80	$ 0.77
Loss from discontinued operations	—	(0.22)	(0.01)	(0.24)
Diluted earnings per share	$ 0.16	$ 0.07	$ 0.79	$ 0.53

The following stock options and unvested restricted stock are anti-dilutive and have not been included in the weighted average diluted shares outstanding calculation *(in millions)*:

	Three months ended September 30,		Nine months ended September 30,	
	2008	2007	2008	2007
Stock options	4.0	3.3	3.6	5.3
Unvested restricted stock	—	—	0.1	—

Note 4 – Acquisitions

INTECH

Each fiscal year through 2012, each of the two founding members of Enhanced Investment Technologies, LLC ("INTECH") has the option to require Janus to purchase from him an ownership interest of up to approximately 1.5% in INTECH at the fair market value of such interest. On March 31, 2008, the two INTECH founding members exercised their rights and Janus increased its ownership of INTECH to approximately 89.5% by purchasing an additional 3% interest for $60.7 million in cash. The pro forma results of operations have not been presented as they would not have been materially different from reported amounts. The preliminary purchase price allocations resulted in the recognition of $23.7 million of intangible assets and $37.0 million of goodwill. Intangible assets represent customer relationships and are preliminarily being amortized over 12 years.

Perkins, Wolf, McDonnell & Company, LLC ("PWM")

On July 7, 2008, Janus agreed to purchase an additional 50% interest in PWM for $90.0 million in cash. Janus currently holds a 30% interest in PWM, which specializes in fundamental value-disciplined investing and is the named subadvisor of Janus' small- and mid-cap value products. The additional interest in PWM will facilitate the build-out of Janus' value investment product offerings. Pending the satisfaction of customary conditions including the approval of the change in control of PWM by regulators and Janus' value mutual fund shareholders, the acquisition is expected to close in the fourth quarter 2008.

Upon closing the transaction, PWM will grant profit interest awards designed to retain and incentivize key employees to grow the business. These awards vest on the fifth anniversary of grant and are generally entitled to a total of 5% of PWM's annual net income. In addition, these awards have a formula-driven terminal value based on revenue growth and relative investment performance of products managed by PWM. Janus can terminate any or all of the awards: (i) on the fifth, seventh or each subsequent anniversary of grant by paying the relevant portion of the formula-based terminal value, or (ii) prior to the fifth anniversary of grant if the formula yields a terminal value of $40.0 million. Participants can require Janus to terminate the awards in exchange for the then-applicable formula price on the sixth anniversary of grant. The profit interests are also subject to termination at premiums or discounts to the formula at the option of Janus or the relevant employee, as applicable, upon certain corporate or employment-related events affecting PWM or the relevant employee. Compensation expense for these awards will be recognized over the vesting period based on the results of the application of the terminal value formula at the end of each relevant reporting period.

Janus also has the option to acquire any or all of the remaining 20% interest of PWM at fair value on the third, fifth, seventh or each subsequent anniversary of closing. The minority owners of PWM have the option to require Janus to purchase any or all of their remaining interests on the fourth or sixth anniversary of closing at fair value.

Note 5 – Discontinued Operations

During the second quarter 2008, Janus disposed of its Printing and Fulfillment operations for $14.5 million. The liquidation of the remaining assets is not expected to have a material impact on Janus' operating results in future periods.

Note 6 – Adoption of New Accounting Principle

Janus adopted the provisions of SFAS 157 on January 1, 2008. SFAS 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. SFAS 157 also establishes a framework for measuring fair value and a valuation hierarchy based upon the transparency of inputs used in the valuation of an asset or liability. Classification within the hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The valuation hierarchy contains three levels:

- Level 1 – Valuation inputs are unadjusted quoted market prices for identical assets or liabilities in active markets.
- Level 2 – Valuation inputs are quoted prices for identical assets or liabilities in markets that are not active, quoted market prices for similar assets and liabilities in active markets and other observable inputs directly or indirectly related to the asset or liability being measured.
- Level 3 – Valuation inputs are unobservable and significant to the fair value measurement.

The following table presents the marketable securities carried at fair value as of September 30, 2008 *(in millions)*:

	Level 1	Level 2	Level 3
Trading securities	$ 86.8	$ —	$ —
Available-for-sale securities			
Investments in advised funds	12.6	—	—
Structured investment vehicle securities	—	—	69.3
Other assets			
Mutual fund unit award hedge asset	35.5	—	—
Deferred compensation hedge asset	6.0	—	—
Total assets at fair value	$ 140.9	$ —	$ 69.3

Janus' Level 1 fair value measurements consist of exchange-traded equity and debt securities underlying separate accounts and consolidated mutual funds, and mutual fund securities.

Janus' Level 3 fair value measurements consist of the Stanfield securities which were issued by a structured investment vehicle that purchased high grade medium- and long-term fixed-income instruments financed by issuing low-cost, short-term senior debt instruments such as asset-backed commercial paper and asset-backed medium-term notes. To measure fair value, Janus undertook a detailed analysis of the assets underlying the Stanfield securities and benchmarked those assets against instruments of a similar type with comparable yields, maturities and credit ratings for which quoted market prices are readily available. Discounts have been applied to the quoted market prices of the benchmark instruments to adjust for varying yields, credit ratings or other distinguishing characteristics. The valuation methodology for the Stanfield securities has been consistently applied. Because of the significance of the unobservable inputs in Janus' analysis, the fair value measurement of the Stanfield securities has been classified as Level 3. There were no other securities classified as Level 3 during the three and nine months ended September 30, 2008.

Janus measured the fair value of the Stanfield securities as of September 30, 2008, and determined that the valuation had declined from the previously reported amount of $90.3 million as of June 30, 2008. As a result, Janus recognized a $21.0 million impairment charge in investment gains (losses), net. The decline in value was primarily caused by a general deterioration in overall market conditions, particularly in financial institution-related debt, and the portfolio custodian's establishment of a reserve for litigation and operating expenses.

The following table presents the change in fair value of the Stanfield securities *(in millions)*:

Estimated fair value at June 30, 2008	$ 90.3
Total losses	
Included in net income	(21.0)
Included in other comprehensive income	—
Estimated fair value at September 30, 2008	$ 69.3

Janus also uses fair value measurements for business acquisitions and impairment testing of tangible and intangible assets. However, the application of SFAS 157 to fair value measurements of tangible and intangible assets has been postponed in accordance with FSP 157-2.

Note 7 – Seed Capital Investments

Janus periodically adds new investment strategies to its mutual fund and other product offerings (collectively referred to herein as "investment products") by providing the initial cash investment or "seeding" of these investment products. Seeded investment products are initially consolidated and the individual securities within the portfolio are accounted for as trading securities. Janus will consolidate such investment products as long as it holds a controlling interest, defined as greater than 50% ownership. Upon deconsolidation, Janus accounts for its investments as available-for-sale securities.

Janus may redeem invested seed capital for a variety of reasons, including when third-party capital invested in the relevant product is sufficient to sustain the given investment strategy. Janus recognized $1.6 million and $0.4 million of gains from the redemption of seed capital investments for the nine months ended September 30, 2008 and 2007, respectively. There were no redemptions of seed capital investments for the three months ended September 30, 2008 and 2007.

Investments in seed capital are classified as follows:

Trading Securities

At September 30, 2008, seed capital investments classified as trading securities totaled $86.8 million. Trading securities are carried in Janus' consolidated financial statements at fair market value, with changes in value recognized as gains and losses currently in earnings. Janus recognized losses of $11.3 million and $19.4 million in earnings on securities classified as trading, for the three- and nine-month periods ended September 30, 2008, respectively.

Available-for-Sale Securities

At September 30, 2008, seed capital investments classified as available-for-sale totaled $12.6 million. Available-for-sale securities are carried in Janus' consolidated financial statements at fair market value, with changes in value recognized as

gains and losses in other comprehensive income. Accumulated gains and losses are reclassified to earnings when the securities are sold. Janus periodically reviews the carrying value of available-for-sale securities for impairment by evaluating the nature, duration and extent of any decline in fair value. If the decline in value is determined to be other-than-temporary, the carrying value of the security is written down to fair value through earnings. No impairment charges have been recognized during the three- and nine-month periods ended September 30, 2008 and 2007.

Prior to the fourth quarter 2007, Janus accounted for all seed account investments as available-for-sale securities with unrealized gains and losses recorded as a component of other comprehensive income. In the fourth quarter 2007, Janus evaluated its seed capital investments and determined that investment products in which Janus owns a majority interest should be consolidated with changes in value recognized as gains and losses in earnings. Janus assessed the impact to 2007 and prior years under Staff Accounting Bulletin ("SAB") Topic 1M "Materiality" and SAB 108 "Quantifying Misstatements" and concluded that the impact was not quantitatively material to 2007 results in the aggregate or any individual previous year. Janus reclassified the $17.6 million of unrealized gains associated with seed capital investments into 2007 earnings.

Note 8 – Long-Term Incentive Compensation

Janus granted $83.9 million in long-term incentive awards during the first nine months of 2008, which will generally be recognized ratably over a three-year period and are not subject to performance-based accelerated vesting. The 2008 awards consisted of $29.5 million of restricted stock (1.0 million shares at a weighted average price of $27.60 per share), $20.5 million of stock options and $33.9 million of mutual fund units.

A total of 2.1 million stock options with a grant date fair value of $10.02 per option were awarded as part of the February 2008 grant. The grant date fair value of stock options was determined using the Black-Scholes model with the following assumptions: expected volatility of 32%, dividend yield of 0.13%, risk-free interest rate of 2.81% and an expected life of five years.

In addition to the grants described above, retention grants were awarded to certain Janus investment team members and certain INTECH employees to facilitate succession planning and incentivize key personnel to remain with the Company. The Janus investment team retention grant totaled $21.0 million (0.7 million shares of restricted stock at $28.83 per share) and will be recognized ratably over a four-year period. The INTECH retention grant totaled $10.0 million and will be recognized ratably over a ten-year period. The retention grants are not subject to performance-based accelerated vesting.

Note 9 – Other Income, Net

The components of other income are as follows *(in millions)*:

	Three months ended September 30,		Nine months ended September 30,	
	2008	2007	2008	2007
Dividend income	$ 0.4	$ 5.9	$ 1.2	$ 11.8
Interest income	1.2	2.5	5.1	6.8
Other, net	(0.2)	—	0.3	—
Total	$ 1.4	$ 8.4	$ 6.6	$ 18.6

Note 10 – Income Taxes

Janus' statutory tax rate will decrease by approximately 1% from the current rate of 38.25% effective January 1, 2009 as a result of a legislative change in Colorado state income taxes enacted during the second quarter 2008. A net benefit of $10.8 million was recognized during the second quarter 2008 as a result of applying the estimated lower rate to deferred tax assets and liabilities expected to be realized or settled on or after the effective date of the change in taxes.

Note 11 – Legal Proceedings

Janus is subject to various legal proceedings arising from normal business operations. Although there can be no assurances, based on information currently available, management believes that it is probable that the ultimate outcome of each of the actions described below will not have a material adverse effect on Janus' consolidated financial condition. However, an adverse outcome in any of the actions could have a material adverse effect on the Company's financial results in the period in which it is recorded. As of September 30, 2008, Janus had no litigation reserves as management believes that the claims made in the civil actions described below have little or no merit and intends to defend against them.

Market Timing Litigation

Following the market timing investigations by the New York Attorney General ("NYAG") and the SEC in 2003, Janus and certain affiliates were named as defendants in a consolidated lawsuit in the U.S. District Court in Baltimore, Maryland (*Case No. MDL No. 1586, 04-MD-15863*). Five amended complaints were filed in these coordinated proceedings, including: (i) claims by a putative class of Janus fund investors asserting claims on behalf of the investor class (*Marini, et al. v. Janus Investment Fund, et al., U.S. District Court, District of Maryland, Case No. 04-CV-00497*); (ii) derivative claims by investors in the Janus funds ostensibly on behalf of the Janus funds (*Steinberg et al. v. Janus Capital Management, LLC et al., U.S. District Court, District of Maryland, Case No. 04-CV-00518*); (iii) claims on behalf of participants in the Janus 401(k) plan (*Wangberger v. Janus Capital Group Inc., 401 (k) Advisory Committee, et al., U.S. District Court, District of Maryland, Case No. JFM-05-2711*); (iv) claims brought on behalf of shareholders of Janus on a derivative basis against Janus' Board of Directors (*Chasen v. Whiston, et al., U.S. District Court, District of Maryland, Case No. 04-MD-00855*); and (v) claims by a putative class of Janus shareholders asserting claims on behalf of the shareholders (*Wiggins, et al. v. Janus Capital Group Inc., et al., U.S. District Court, District of Maryland, Case No. 04-CV-00818).*

In August 2005, the U.S. District Court entered orders dismissing most of the claims asserted against the Company and its affiliates by fund investors in the *Marini* and *Steinberg* cases described above, except certain claims under Section 10(b) of the Securities Exchange Act of 1934 and under Section 36(b) of the Investment Company Act of 1940. Janus' Motion for Summary Judgment requesting dismissal of the remaining claims is currently pending. The U.S. District Court also entered an order dismissing all claims in the *Wiggins* lawsuit. Plaintiffs have appealed that dismissal to the U.S. Court of Appeals for the Fourth Circuit. That appeal is currently pending. In August 2006, the U.S. District Court in the *Wangberger* 401(k) plan class action dismissed the action with prejudice, and the plaintiff appealed the dismissal to the U.S. Court of Appeals for the Fourth Circuit. In June 2008, the Fourth Circuit reversed the U.S. District Court's order of dismissal and remanded the case for further proceedings. Finally, the U.S. District Court also dismissed the *Chasen* lawsuit against Janus' Board of Directors without leave to amend, ruling that the plaintiff had failed to make a pre-suit demand on the Board of Directors as required by applicable state law. The time to appeal this dismissal has expired. As a result of the above events, the Company and Janus Capital Management LLC are the remaining defendants, in some capacity, in one or more of the actions described in the preceding paragraph.

The Auditor of the State of West Virginia, in his capacity as securities commissioner, initiated administrative proceedings against many of the defendants in the market timing cases (including Janus) and seeks disgorgement and other monetary relief based on similar market timing allegations (*In the Matter of Janus Capital Group Inc. et al., Before the Securities Commissioner, State of West Virginia, Summary Order No. 05-1320*). In September 2006, Janus filed its answer to the Auditor's summary order instituting proceedings, and requested a hearing. A hearing was held in June 2007 during which the parties were ordered to submit a scheduling order. The court has not yet entered a case management order in this matter. In addition to the currently pending Motion to Discharge Order to Show Cause, Janus continues to challenge the statutory authority of the Auditor to bring such an action.

Miscellaneous Proceedings

During 2007, two former portfolio managers filed suit against a Janus subsidiary alleging that it implemented certain changes to their compensation arrangements in violation of prior agreements *(Edward Keely v. Janus Management Holdings Corporation, Denver District Court, Case No. 2007 CV 7366* and *Tom Malley v. Janus Management Holdings Corporation, Denver District Court, Case No. 2007 CV 10719)*. Janus answered the complaints, denying any liability and challenging the merits of Mr. Keely's and Mr. Malley's allegations. Mr. Keely subsequently amended his complaint adding further claims for relief, all which were denied by Janus. Trial for the suit brought by Mr. Keely was set to commence in October 2008 but has been postponed. A new trial date has not been set. Mr. Malley's trial is scheduled to commence in December 2008.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. In addition, Janus Capital Group Inc. (collectively, "Janus" or the "Company") may make other written and oral communications from time to time that contain such statements. Forward-looking statements include statements as to industry trends and future expectations of the Company and other matters that do not relate strictly to historical facts and are based on certain assumptions by management. These statements are often identified by the use of words such as "may," "will," "expect," "believe," "anticipate," "intend," "could," "should," "estimate" or "continue," and similar expressions or variations. These statements are based on the beliefs and assumptions of the Company management based on information currently available to management. Such forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. Important factors that could cause actual results to differ materially from the forward-looking statements include, among others, the risks described in the Company's filings with the Securities and Exchange Commission, including those in Part I, Item 1A, Risk Factors, and elsewhere in Janus' Annual Report on Form 10-K for the year ended December 31, 2007 and in Part II, Item 1A, Risk Factors, in this Form 10-Q. Janus cautions readers to carefully consider such factors. Furthermore, such forward-looking statements speak only as of the date on which such statements are made. Except as required by applicable law, Janus undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date of such statements.

AVAILABLE INFORMATION

Copies of Janus Capital Group Inc.'s (collectively, "Janus" or the "Company") filings with the Securities and Exchange Commission ("SEC") can be obtained from the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Information can be obtained about the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at http://www.sec.gov.

Janus makes available free of charge its annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K and amendments thereto as soon as reasonably practical after such filing has been made with the SEC. Reports may be obtained through the Investor Relations section of Janus' website (http://ir.janus.com) or by contacting Janus at (888) 834-2536. The contents of Janus' website are not incorporated herein for any purpose.

Janus' Officer Code of Ethics for Principal Executive Officer and Senior Financial Officers (including its chief executive officer, chief financial officer and controller) (the "Officer Code"); Corporate Code of Business Conduct and Ethics for all employees; corporate governance guidelines; and the charters of key committees of the Board of Directors (including the Audit, Compensation, Nominating and Corporate Governance, and Planning and Strategy committees) are available on its website (http://ir.janus.com/governance.cfm), and printed copies are available to any shareholder upon request by calling Janus at (888) 834-2536. Any future amendments to or waivers of the Officer Code will be posted to the Investor Relations section of Janus' website.

RESULTS OF OPERATIONS

Overview

Janus provides investment management and administrative services to mutual funds, separate accounts and institutional clients in both domestic and international markets through its primary subsidiaries, Janus Capital Management LLC ("Janus ex-INTECH") and Enhanced Investment Technologies, LLC ("INTECH").

Revenues are generally based upon a percentage of the market value of assets under management and are calculated as a percentage of the daily average asset balance in accordance with contractual agreements with the Company's mutual funds, separate accounts and subadvised relationships (collectively referred to herein as "investment products"). Certain investment products are also subject to performance fees that vary based on their relative performance as compared to a benchmark index and the level of assets subject to such fees. Assets under management primarily consist of domestic and international equity and debt securities. Accordingly, fluctuations in the financial markets, relative investment performance, sales and redemptions of investment products, and changes in the composition of assets under management are all factors that have a direct effect on Janus' operating results.

INVESTMENT MANAGEMENT OPERATIONS (CONTINUING OPERATIONS)

Recent Developments

Global markets declined 20% to 30% through September 30, 2008 and 20% from the end of the third quarter 2008. The continuing deterioration in market conditions and Janus' assets under management will place pressure on the company's operating margin and results in the fourth quarter 2008 and into 2009. If the current market conditions persist or further deteriorate, Janus' assets under management, revenues, operating margin, net income and liquidity will be materially impacted.

To align the Company's cost structure with the current level of assets under management and revenues, Janus anticipates reducing 2009 fixed and discretionary costs by approximately $40 million to $45 million. The cost savings are expected to be achieved through an approximate 9% workforce reduction, yielding $15 million of annualized savings, and cutting general and administrative expenses by approximately $25 million to $30 million. In connection with the workforce reduction, Janus will incur a severance charge of approximately $7 million during the fourth quarter 2008. In addition, variable compensation and distribution expenses are expected to fluctuate with assets under management and revenues.

Third Quarter 2008 Summary

- Relative long-term investment performance remained strong despite short-term underperformance, with approximately 65%, 75% and 83% of Janus' mutual funds in the top half of their Lipper categories on a one-, three- and five-year total return basis, respectively, as of September 30, 2008.
- INTECH's long-term performance remained strong, with 83%, 56%, 100% and 100% of product strategies with at least a one-, three-, five- and ten-year performance track record, respectively; outperforming their respective benchmarks during each of those periods ended September 30, 2008.
- Operating margin was 33.9%.
- Net income from continuing operations was $26.0 million, or $0.16 per diluted share.
- Repurchased 3.0 million shares of Janus common stock at a total price of $71.9 million.

Assets Under Management and Flows

	Three months ended September 30,		Nine months ended September 30,	
	2008	2007	2008	2007
	(in billions)		(in billions)	
Beginning of period assets	$ 191.8	$ 190.6	$ 206.7	$ 167.7
Long-term sales				
Janus ex-INTECH	8.5	9.2	29.7	24.4
INTECH	6.2	2.0	10.5	11.5
Long-term redemptions				
Janus ex-INTECH	(9.8)	(6.3)	(26.6)	(20.0)
INTECH	(6.0)	(4.2)	(11.2)	(9.4)
Long-term net flows *				
Janus ex-INTECH	(1.3)	2.9	3.1	4.4
INTECH	0.2	(2.2)	(0.7)	2.1
Total long-term net flows	(1.1)	0.7	2.4	6.5
Net money market flows	(4.0)	8.1	(5.0)	10.9
Market / fund performance	(26.2)	8.6	(43.6)	22.9
End of period assets	$ 160.5	$ 208.0	$ 160.5	$ 208.0
Average assets under management				
Janus ex-INTECH	$ 112.2	$ 112.0	$ 116.6	$ 106.5
INTECH	59.5	68.8	62.5	67.6
Money Market	11.0	12.7	11.7	10.5
Total	$ 182.7	$ 193.5	$ 190.8	$ 184.6

* Excludes money market flows. Sales and redemptions of money market funds are presented net on a separate line due to the short-term nature of the investments.

Janus ex-INTECH long-term net flows declined by $4.2 billion and $1.3 billion for the three- and nine-month periods ended September 30, 2008, respectively, largely from increased redemptions as a result of adverse market conditions. Average assets under management for Janus ex-INTECH were comparable for the three months ended September 30, 2008 and 2007, and increased for the nine months ended September 30, 2008 as compared to the same period in the prior year. The increase in year-to-date Janus ex-INTECH average assets under management was largely driven by positive long-term net flows.

INTECH long-term net flows increased $2.4 billion for the three-month period ended September 30, 2008, as compared to the same period in 2007 primarily as a result of an additional funding from one large institutional client. Year over year, INTECH long-term net flows declined $2.8 billion from the relative underperformance of certain key investment strategies in early 2008 and most of 2007 and clients reallocating assets from INTECH to other investment strategies. INTECH average assets under management decreased for the three- and nine-month periods ended September 30, 2008 as compared to the same periods in the prior year. The decline is primarily attributable to challenging market conditions. The recent deterioration in market conditions occurred late in the third quarter 2008 and accordingly, did not have a significant impact on average assets under management for the nine months ended September 30, 2008.

Results of Investment Management Operations

Three Months Ended September 30, 2008, Compared with Three Months Ended September 30, 2007

Revenues

Investment management fees decreased $9.6 million, or 4.2%, primarily as a result of the 5.6% decrease in average assets under management.

Performance fee revenue is derived from certain mutual funds and separate accounts. The $3.7 million increase in performance fee revenue was principally due to higher fees earned on INTECH separate accounts as a result of improved recent relative investment performance.

Shareowner servicing fees and other revenue declined $3.3 million, or 6.5%, over the comparable prior year period primarily as a result of a decrease in transfer agent fees. Transfer agent fees are based on average assets under management in Janus' retail fund series (Janus Investment Fund), excluding money market assets, which decreased 8.8% over the comparable prior period.

Expenses

Employee compensation and benefits decreased $9.9 million, or 10.9%, due to lower investment team compensation and sales commissions. Investment team compensation decreased as a result of a decline in short-term relative investment performance and lower revenue. The investment team compensation plan is linked to individual investment performance, but also ties the aggregate level of compensation to revenue. Sales commissions decreased $3.8 million due to lower sales.

Long-term incentive compensation decreased quarter over quarter primarily as a result of a decline in the performance-based acceleration of previous awards based on expected 2008 financial performance, partially offset by an increase related to the 2008 annual grant awarded in February.

Net investment losses of $32.3 million for the three months ended September 30, 2008, include a $21.0 million impairment charge on structured investment vehicle ("SIV") securities caused by a general deterioration in overall market conditions, particularly in financial institution-related debt held within the vehicle, and the SIV custodian's establishment of a reserve for litigation and operating expenses. Investment losses for the quarter also include $11.3 million of mark-to-market adjustments on consolidated investment products. Mutual funds and separate accounts in which Janus owns a majority interest are consolidated, with changes in market value reported in current period earnings.

Minority interest in consolidated earnings consists primarily of INTECH earnings which declined as a result of lower average assets under management in the relevant investment products, offset by higher performance fees earned on separate accounts.

Nine Months Ended September 30, 2008, Compared with Nine Months Ended September 30, 2007

Revenues

Investment management fees increased $34.2 million, or 5.3%, primarily as a result of the 3.3% increase in average assets under management. Revenue increased at a slightly higher rate than average assets under management as a result of increased average assets in higher yielding Janus ex-INTECH products.

Despite the recent investment underperformance on certain investment products, performance fee revenue increased as a result of improved long-term relative investment performance as of September 30, 2008, as compared to the same period in 2007.

Shareowner servicing fees and other revenue increased $6.5 million, or 4.5%, from higher distribution fees and transfer agent fees. Distribution fees are earned from the sale of Janus Adviser Series ("JAD") C shares. Such fees increased as a result of higher sales of JAD C shares. Transfer agent fees were driven by an increase in Janus Investment Fund average assets under management.

Expenses

Employee compensation and benefits was consistent with the comparable prior year period as a result of a decline in investment team compensation and commissions, offset by an increase in the average number of employees.

Long-term incentive compensation decreased $14.2 million, or 28.7%, primarily as a result of a decline in the performance-based acceleration of previous awards based on expected 2008 financial performance, partially offset by an increase related to the 2008 annual grant awarded in February. Grants made during the nine months ended September 30, 2008, totaled $83.9 million and will be recognized ratably over a three-year period. These awards are not subject to accelerated vesting.

In addition to these awards, retention awards were granted to certain Janus investment team members and INTECH employees to facilitate succession planning and incentivize key personnel to remain with the Company. The Janus retention grant totaled $21.0 million and will be recognized ratably over a four-year period. The INTECH retention grant totaled $10.0 million and will be recognized ratably over a ten-year period. These awards are not subject to accelerated vesting.

Marketing and advertising expenses increased $7.9 million, or 47.6%, from sponsorships and higher print advertising associated with the promotion of the Janus brand.

Distribution expense increased $10.5 million, or 10.4%, from a similar increase in assets under management subject to third-party concessions. Distribution fees are calculated based on a contractual percentage of the market value of assets under management distributed through third-party intermediaries and are primarily related to Janus ex-INTECH investment products.

Depreciation and amortization expense increased $6.0 million, or 24.3%, primarily as a result of the amortization of deferred commissions from higher sales of JAD C shares and the amortization of intangibles related to the March 2008 acquisition of an additional 3% interest in INTECH.

General, administrative and occupancy expense increased $17.0 million, or 18.9%, from higher legal and other professional services costs associated with ongoing litigation and rent related to international expansion. The comparable prior year period includes the release of $6.3 million of legal reserves.

Janus performs its annual impairment tests of goodwill and unamortized intangible assets during the fourth quarter of each year. If assets under management continue to decline, Janus may recognize an impairment charge associated with its goodwill and intangible assets.

Interest expense increased $16.7 million, or 41.9%, from the issuance of additional debt in June 2007. All of Janus' outstanding debt includes an interest rate adjustment covenant that provides that the interest rate payable will increase by 25 basis points for each level that the Company's debt rating is decreased by Moody's from its existing rating of Baa3 or by S&P from its existing rating of BBB-, up to a maximum increase of 200 basis points. In the event Janus' assets under management continue to decline, Janus' debt ratings may be downgraded and interest expense will increase.

Net investment losses of $38.8 million for the nine months ended September 30, 2008 include a $21.0 million impairment charge on SIV securities and $19.4 million of mark-to-market losses on consolidated investment products, net of $1.6 million of realized gains.

The decrease in minority interest is largely the result of a decline in INTECH earnings associated with lower average assets under management in the relevant investment products, offset by higher performance fees earned on separate accounts.

The income tax provision for the nine months ended September 30, 2008, includes a $10.8 million tax benefit as a result of applying a lower tax rate to deferred tax assets and liabilities expected to be realized or settled on or after January 1, 2009. Janus' tax rate will decrease by approximately 1% from the current rate effective January 1, 2009 as a result of a legislative change in Colorado state taxes enacted during the second quarter 2008.

DISCONTINUED OPERATIONS

During the second quarter 2008, Janus disposed of its Printing and Fulfillment operations for $14.5 million. The liquidation of the remaining assets is not expected to have a material impact on Janus' operating results in future periods.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

A summary of cash flow data from continuing operations for the nine-month periods ended September 30, 2008 and 2007 is as follows *(in millions)*:

	2008	2007
Cash flows provided by (used for):		
Operating activities	$ 168.1	$ 203.8
Investing activities	(66.2)	(36.2)
Financing activities	(285.0)	(69.3)
Net change in cash and cash equivalents	(183.1)	98.3
Balance beginning of period	480.7	507.1
Balance end of period	$ 297.6	$ 605.4

On an annual basis, Janus' cash flow from operations historically has been positive and sufficient to fund ordinary operations and capital requirements. Cash provided by operating activities for the nine months ended September 30, 2008, decreased over the comparable prior year period as a result of changes in working capital items, which can vary from period to period based on the timing of cash receipts and payments.

Cash used for investing activities for the nine months ended September 30, 2008, primarily represents $67.7 million for the purchase of an additional 3% interest in INTECH. Cash used for investing activities for the comparable prior year period primarily represents the acquisition of an additional 4% interest in INTECH and $58.4 million of net proceeds from the sale of investments.

Cash used for financing activities for the nine months ended September 30, 2008, primarily represents stock buybacks of $289.8 million. Cash provided by financing activities for the comparable prior period includes $748.4 million of proceeds from the issuance of long-term debt, offset by debt repayment of $158.1 million and stock buybacks of $675.6 million.

Other Sources of Liquidity

Credit Facility

Janus has a $350 million Three-Year Competitive Advance and Revolving Credit Facility Agreement (the "Credit Facility") with a syndicate of banks. The Credit Facility contains a number of financial covenants including a specified financing leverage ratio and interest coverage ratio. At September 30, 2008, Janus was in compliance with all covenants and there were no borrowings under the Credit Facility. In the event that assets under management continue to decline, Janus may not be able to utilize all or a portion of its credit available under the Credit Facility.

Shelf Registration

The Company has effective a Shelf Registration Statement with the SEC, under which Janus could register the sale of an indeterminate amount of Janus' common stock, preferred stock and debt securities.

Capital Requirements

PWM

On July 7, 2008, Janus agreed to purchase an additional 50% interest in PWM for $90.0 million in cash. Janus currently holds a 30% interest in PWM, which specializes in fundamental value-disciplined investing and is the named subadvisor of Janus' small- and mid-cap value products. The additional interest in PWM will facilitate the build-out of Janus' value investment product offerings. Pending the satisfaction of customary conditions including the approval of the change in control of PWM by regulators and Janus' value mutual fund shareholders, the acquisition is expected to close in the fourth quarter 2008.

Upon closing the transaction, PWM will grant profit interest awards designed to retain and incentivize key employees to grow the business. These awards vest on the fifth anniversary of grant and are generally entitled to a total of 5% of PWM's annual net income. In addition, these awards have a formula-driven terminal value based on revenue growth and relative investment performance of products managed by PWM. Janus can terminate any or all of the awards: (i) on the fifth, seventh or each subsequent anniversary of grant by paying the relevant portion of the formula-based terminal value, or (ii) prior to the fifth anniversary of grant if the formula yields a terminal value of $40.0 million. Participants can require Janus to terminate the awards in exchange for the then-applicable formula price on the sixth anniversary of grant. The profit interests are also subject to termination at premiums or discounts to the formula at the option of Janus or the relevant employee, as applicable, upon certain corporate or employment-related events affecting PWM or the relevant employee. Compensation expense for these awards will be recognized over the vesting period based on the results of the application of the terminal value formula at the end of each relevant reporting period.

Janus also has the option to acquire any or all of the remaining 20% interest of PWM at fair value on the third, fifth, seventh or each subsequent anniversary of closing. The minority owners of PWM have the option to require Janus to purchase any or all of their remaining interests on the fourth or sixth anniversary of closing at fair value.

Money Market Funds Advised by the Company

Janus advises money market funds (the "Money Funds") that attempt to provide current income and limit exposure to losses by investing in high-quality securities with short-term durations that present minimal credit risk. Adverse events or circumstances related to individual securities or the market in which the securities trade may cause other-than-temporary declines in value. Given recent market events impacting liquidity for mutual funds, including money market funds, Janus has enhanced its emphasis on managing the Money Funds for capital preservation and liquidity in line with their investment objectives. The Money Funds have also participated in the U.S. Department of Treasury's Temporary Guarantee Program for money market mutual funds (the "Program"). The Program guarantees for shareholders of a Money Fund as of September 19, 2008 the lesser of: (i) the amount the shareholder held as of the close of business on September 19, 2008; or (ii) the number of shares held as of the date that the Program is utilized. A Money Fund must be in liquidation to utilize the guarantee provided by the Program, and currently none of the Money Funds are in liquidation. The Program currently is only effective until December 18, 2008. Under certain situations, Janus may elect to support one or more of the Money Funds to enable them to maintain a net asset value equal to one dollar through a variety of means, including but not limited to, purchasing securities held by the Money Funds, reimbursing for any losses incurred or providing a letter of credit. However, Janus is not contractually or legally obligated to provide support to the Money Funds.

Janus' decision to provide support to the Money Funds is based on the facts and circumstances at the time a holding in the Money Funds becomes or is expected to become distressed. A holding is considered distressed when there is significant doubt regarding the issuer's ability to pay required amounts when due, often resulting in a decline in the securities' credit ratings. If a security falls below the minimum rating required by investment restrictions, the Money Funds must dispose of the investment unless the Money Funds' board of trustees determines that such disposition is not in the best interests of the Money Funds. In determining whether to take any action in response to a distressed condition or a downgrade affecting securities held by the Money Funds, Janus considers many factors, which may include the potential financial and reputational impact to the Money Funds and Janus, the regulatory and operational restrictions, the size of a holding, a security's expected time to maturity and likelihood of payment at maturity, general market conditions, discussions with the Money Funds' board of trustees and Janus' board of directors, and Janus' liquidity and financial condition. No single factor is determinative and there is no predetermined threshold with respect to each factor that would lead Janus to consider providing support to the Money Funds.

Financial Support Provided to the Funds

On December 21, 2007, Moody's Investors Service, Inc. downgraded securities issued by certain SIVs including those issued by Stanfield Victoria Funding LLC ("Stanfield securities") to a rating below what is generally permitted to be held by the Money Funds. The Money Funds held $105.0 million of Stanfield securities plus $3.5 million of accrued interest at the time of the downgrade. In connection with this downgrade, Janus determined that it was in the best interests of the applicable Money Funds and their shareholders for Janus to purchase the Stanfield securities from the Money Funds at amortized cost plus accrued interest. Subsequent to purchase, Janus has recognized impairment charges totaling $39.2 million (including $3.5 million of purchased accrued interest), reflecting the difference between the low end of the range of estimated fair value and the purchase price of the Stanfield securities. Included in Janus' estimate of fair value is the assumption that no interest income payable on the securities will be received. Janus' total additional risk of loss with respect to the Stanfield securities is limited to the $69.3 million carrying value of its investment. Additional impairment charges on the Stanfield securities may be recognized if the underlying assets experience further other-than-temporary deterioration in the value.

In January 2008, the Stanfield securities were placed with an enforcement manager to be restructured or sold at the election of each senior note holder. Janus elected to participate in the restructuring of the Stanfield securities. In addition, the collateral agent, Deutsche Bank, filed an interpleader complaint due to conflicting positions of note holders that has effectively prevented the enforcement manager from making any cash payments and other distributions, or from restructuring the Stanfield securities, until the matter is resolved by the New York courts or is settled among the parties.

A resolution to the interpleader complaint and an amendment to the Security Agreement for the Stanfield securities are expected to be approved during the fourth quarter 2008. Under the amendment, Janus will receive its proportionate share of available cash held in the portfolio and has the option of receiving its proportionate share of each asset underlying the Stanfield securities or participating in a new structure that has not yet been determined. Janus is currently evaluating its options.

Securities Held by the Funds

Janus continuously evaluates the securities held by the Money Funds to determine if any holdings are distressed or may become distressed in the near future. In such circumstances, Janus would consider whether taking any action, including, but not limited to, a potential election by Janus to provide further support to the Money Funds that could result in additional impairments and financial losses, would be appropriate.

INTECH

Each fiscal year through 2012, each of the two INTECH founding members has the option to require Janus to purchase from him an ownership interest of up to approximately 1.5% of INTECH ("Annual Option Shares") at fair market value. Subsequent to the March 31, 2008 sale of a 3% interest in INTECH to Janus by the founders, the two founders have an aggregate ownership interest of approximately 8% in INTECH. In the event that either INTECH founder does not fully exercise his annual voluntary sale option in a given year, Janus has the option to require the INTECH founder to sell the remaining balance of the Annual Option Shares for that year at fair market value.

In addition, the founders can require Janus to purchase their INTECH interests when the founder's employment is terminated. The purchase price of the departing founder's INTECH interests will be based on fair market value. Each founder is entitled to retain approximately one percent of INTECH's shares then outstanding after employment until his death unless he is terminated for cause or leaves voluntarily while not in good standing. An INTECH founder will be deemed to be in good standing if he voluntarily leaves on or after January 1, 2009, after providing 12 months' prior notice and cooperation with the transition. Janus has not recorded a liability for the purchase of the outstanding INTECH interests due to the uncertainty of this obligation and the price at which it may occur. Total INTECH interests held by the two founders would be valued at approximately $128.0 million, based on the most recent determination of fair market value.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

The Company has had no material changes in its exposure to market risks from that previously reported in the Company's Annual Report on Form 10-K for the year ended December 31, 2007.

Item 4. Controls and Procedures

Janus' management evaluated the effectiveness of the design and operation of its disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of September 30, 2008. Disclosure controls and procedures are the controls and other procedures that the Company designed to ensure that it records, processes, summarizes and reports in a timely manner the information it must disclose in reports that it files with or submits to the SEC. Gary D. Black, Chief Executive Officer, and Gregory A. Frost, Executive Vice President and Chief Financial Officer, reviewed and participated in this evaluation. Based on this evaluation, Messrs. Black and Frost concluded that as of the date of their evaluation, Janus' disclosure controls and procedures were effective.

There has been no change in Janus' internal controls over financial reporting (as such term is defined in Rules 13a-15(e) and 15d-15 (e) under the Exchange Act) during the three months ended September 30, 2008, that has materially affected, or is reasonably likely to materially affect, Janus' internal controls over financial reporting.

Item 5. Other Information

(a) On October 21, 2008, Janus' Board of Directors approved an amendment to Janus' Bylaws (the "Amended and Restated Bylaws").

- Each of Article II, Section 3, governing submission of a proposal by a stockholder, and Article III, Section 2, applicable in the case of a nomination of a person for election as a director, of Janus' Bylaws was amended (i) to require a stockholder to include the following additional information in the advance notice to Janus: a description of any agreements the stockholder has with affiliates or third parties concerning the stockholder proposal or director nomination; a description of any derivative or short positions, profit interests, options, hedging transactions, and borrowed or loaned shares the stockholder has with respect to the Company's stock; a representation that the stockholder is entitled to vote at the meeting and whether or not he or she intends to attend the meeting to present the proposal or director nomination; and whether the stockholder intends to conduct a proxy solicitation; and (ii) to revise the period in which a stockholder may make a proposal or nomination of a person election as a director to generally not less than ninety (90) days nor more than one hundred twenty (120) days prior to the anniversary date of the immediately preceding annual meeting of stockholders;

- Article III of Janus' Bylaws was also amended (i) to require a stockholder nominating a person for election as a director to include in the advance notice certain biographical information about each director nominee as well as a questionnaire completed by each director nominee that requires the nominee to disclose any voting commitments the nominee may have with a third person and commit to tender a resignation following such person's failure to receive the required vote for election or reelection at the next meeting at which such person would face election or reelection; and (ii) to provide the date to determine whether the election of directors at any meeting is by a majority of votes cast or a plurality of the shares represented in person or by proxy at such meeting is fourteen (14) days in advance of the date that Janus files with the Securities and Exchange Commission its definitive proxy statement for such meeting;

- Article VI of Janus' Bylaws was revised to clarify and generally expand the ability of Janus' Board of Directors to establish committees thereof in its discretion; and

- Article VII of Janus's Bylaws was amended to provide for technical revisions to the certification of Janus' capital stock, the transfer thereof and the replacement of lost certificates.

In addition to these changes, the Amended and Restated Bylaws include non-substantive changes to clarify or update certain provisions of Janus' Bylaws.

Shareholders intending to present a proposal at Janus' 2009 Annual Meeting but not include it in Janus' Proxy Statement, and shareholders intending to nominate a person for election to Janus' Board of Directors, must comply with the requirements set forth in the Amended and Restated Bylaws. The Amended and Restated Bylaws require, among other things, that a shareholder must submit a written notice of intent to present such a proposal or to make such a nomination and set forth other information specified in the Amended and Restated Bylaws. As a result of the amendment to Janus' Bylaws described above, the notice must be received by Janus' Secretary no more than 120 days and no less than 90 days prior to the anniversary of the immediately preceding year's annual meeting. Therefore, Janus' Secretary must receive any such notice for the 2009 Annual Meeting no earlier than January 1, 2009 and no later than January 31, 2009. If the notice

is received before January 1, 2009, or after January 31, 2009, it will be considered untimely and Janus will not be required to present the proposal or nominee for voting at Janus' 2009 Annual Meeting. Janus reserves the right to reject, rule out of order or take other appropriate action with respect to any proposal or nomination that does not comply with these and other applicable requirements.

The foregoing description of the Amended and Restated Bylaws is qualified in its entirety by the Amended and Restated Bylaws, effective October 21, 2008, incorporated herein by reference as Exhibit 3.1 to this Quarterly Report on Form 10-Q.

(b) On October 21, 2008, Janus' Board of Directors adopted the Amended and Restated Bylaws, which among other things, revised certain of the procedures outlined in Janus' most recent Proxy Statement by which shareholders may nominate a person for election to the Janus Board of Directors. A summary of the revised procedures is set forth in Section (a) of this Item 5.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

See Part I, Item 1. Financial Statements, Note 11 – Legal Proceedings.

Item 1A. Risk Factors

The Company has had no material changes in its risk factors from those previously reported in the Company's Annual Report on Form 10-K for the year ended December 31, 2007 other than the following:

The volatility and disruption of the capital and credit markets, and adverse changes in the global economy have negatively impacted Janus' revenues.

The capital and credit markets have been experiencing volatility and disruption for more than 12 months. In recent weeks, the volatility and disruption has reached unprecedented levels. The decline in global market conditions has resulted, and may continue to result, in decreases in Janus' assets under management and revenues. Such declines may adversely impact Janus' operating results, financial condition, liquidity, credit ratings, ability to access capital markets, and retention and ability to attract key employees. Adverse changes in these factors may limit Janus' flexibility in planning for, or reacting to, changes in its operations and the financial industry overall.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

On July 22, 2008, the Board of Directors authorized a fifth $500 million stock repurchase program to take effect when the current authorization is utilized. During the first nine months of 2008, Janus repurchased 10.8 million shares at an aggregate cost of $281.0 million under the current authorization. Given the current market conditions, Janus is suspending stock buybacks to preserve liquidity.

In addition to this program, for the nine months ended September 30, 2008, Janus repurchased 321,346 shares from employees as a part of a share withholding program (established under Rule 10b5-1 of the Securities Exchange Act of 1934) to satisfy employees' income tax liabilities attributable to the vesting of restricted stock awards.

Period	(a) Total Number of Shares (or Units) Purchased	(b) Average Price Paid Per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs (End of Month)
January	2,098,252	$ 27.46	2,096,800	$ 245 million
February	2,459,497	$ 25.57	2,156,592	$ 190 million
March	955,693	$ 23.07	955,693	$ 168 million
April	8,683	$ 23.56	—	$ 168 million
May	554,600	$ 27.58	554,600	$ 153 million
June	2,039,587	$ 29.29	2,037,500	$ 93 million
July	1,635,919	$ 24.53	1,629,700	$ 53 million
August	586,600	$ 25.10	586,600	$ 38 million
September	737,800	$ 23.27	737,800	$ 21 million
Total	**11,076,631**	**$ 26.16**	**10,755,285**	

Item 6. Exhibits

3.1	Bylaws of Janus Capital Group Inc. as Amended and Restated on October 21, 2008
10.1	Janus Capital Group Inc. Amended and Restated Income Deferral Program, effective January 22, 2008
10.2	Janus Capital Group Inc. Amended and Restated 2004 Employment Inducement Award Plan, effective January 22, 2008
10.3	Janus Capital Group Inc. Amended and Restated Director Deferred Fee Plan, effective October 20, 2008
31.1	Certification of Gary D. Black, Chief Executive Officer of Registrant
31.2	Certification of Gregory A. Frost, Executive Vice President and Chief Financial Officer of Registrant
32.1	Certification of Gary D. Black, Chief Executive Officer of Registrant, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Gregory A. Frost, Executive Vice President and Chief Financial Officer of Registrant, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.1	Lipper Rankings

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.

Date: October 23, 2008

Janus Capital Group Inc.

/s/ Gary D. Black
Gary D. Black,
Chief Executive Officer

/s/ Gregory A. Frost
Gregory A. Frost,
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

/s/ Robert W. Blakley
Robert W. Blakley
Vice President and Controller
(Principal Accounting Officer)

JANUS CAPITAL GROUP INC.
INDEX TO EXHIBITS

Exhibit No.	Document	Regulation S-K Item 601(b) Exhibit No.
3.1	Bylaws of Janus Capital Group Inc. as Amended and Restated on October 21, 2008	3
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99.1	Lipper Rankings	99

Exhibit 3.1

AMENDED AND RESTATED BYLAWS

OF

JANUS CAPITAL GROUP INC.

As amended and restated as of October 21, 2008

ARTICLE I

Offices

Section 1. Registered Office. The registered office of the Corporation in the State of Delaware shall be at such location within the State of Delaware as shall from time to time be determined by the Board of Directors.

Section 2. Other Offices. The Corporation may also have offices at such other places both within and without the State of Delaware as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE II

Stockholders

Section 1. Place of Meetings. All meetings of the stockholders for the election of directors or for any other purpose shall be held at such time and place, either within or without the State of Delaware, as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting or in a duly executed waiver of notice thereof.

Section 2. Annual Meetings. The annual meeting of stockholders ("annual meeting") shall be held on such day of such month of each year (other than a Saturday, Sunday or holiday) as shall be determined by the Board of Directors or, if the Board shall fail to act, by the Chief Executive Officer. At the annual meeting the stockholders, voting as provided in the Certificate of Incorporation, shall elect directors and transact such other business as may be properly brought before the meeting.

Section 3. Advance Notice of Stockholder Proposed Business. At an annual meeting, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be either (i) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (ii) otherwise properly brought before the meeting by or at the direction of the Board of Directors or (iii) otherwise properly brought before the meeting by a stockholder. In addition to any other applicable requirements, for business to be properly brought before an annual meeting by a stockholder (other than the nomination of a person for election as a director, which is governed by Section 2 of Article III of these Bylaws), the stockholder intending to propose the business (the "Proponent") must have given timely notice thereof in writing to the Secretary of the Corporation and such other business must otherwise be a proper matter for stockholder action. To be timely, a Proponent's notice to the Secretary must be delivered to or mailed and

received at the principal executive offices of the Corporation not less than ninety (90) days nor more than one hundred twenty (120) days prior to the anniversary date of the immediately preceding annual meeting of stockholders; provided, however, that in the event that the annual meeting is called for a date that is not within thirty (30) days before or after such anniversary date, notice by the Proponent in order to be timely must be so received not later than the close of business on the tenth (10th) day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever first occurs (For purposes of these Bylaws, public disclosure shall be deemed to include a disclosure made in a press release reported by the Dow Jones News Services, Associated Press or a comparable national news service or in a document filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")). In no event shall any adjournment or postponement of an annual meeting commence a new time period for the giving of a Proponent's notice as described above. A Proponent's notice to the Secretary shall set forth as to each matter the Proponent proposes to bring before the annual meeting; (a) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting; (b) the name and address of the Proponent, and of any holder of record of the Proponent's shares as they appear on the Corporation's books; (c) the class and number of shares of the Corporation which are owned by the Proponent (beneficially and of record) and owned by any holder of record of the Proponent's shares, as of the date of the Proponent's notice, and a representation that the Proponent will notify the Corporation in writing of the class and number of such shares owned of record and beneficially as of the record date for the meeting promptly following the later of the record date or the date notice of the record date is first publicly disclosed; (d) any material interest of the Proponent in such business; (e) a description of any agreement, arrangement or understanding with respect to such business between or among the Proponent and any of its affiliates or associates, and any others (including their names) acting in concert with any of the foregoing, and a representation that the Proponent will notify the Corporation in writing of any such agreement, arrangement or understanding in effect as of the record date for the meeting promptly following the later of the record date or the date notice of the record date is first publicly disclosed; (f) a description of any agreement, arrangement or understanding (including, without limitation, any derivative or short positions, profit interests, options, hedging transactions, convertible securities, warrants, stock appreciation rights, and borrowed or loaned shares), whether or not settled in any class of or series of stock of the Corporation or otherwise, that has been entered into as of the date of the Proponent's notice by, or on behalf of, the Proponent or any of its affiliates or associates, the direct or indirect effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of the Proponent or any of its affiliates or associates with respect to shares of the Corporation (collectively, "Derivative Instruments") (including, without limitation, any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by an entity in which such Proponent is a partner, shareholder or other owner and any performance-related fees that such Proponent is entitled to based on any increase or decrease in the value of shares of stock of the Corporation or Derivative Instruments), and a representation that the Proponent will notify the Corporation in writing of any such Derivative Instruments in effect as of the record date for the meeting promptly following the later of the record date or the date notice of the record date is first publicly disclosed; (g) a representation that the Proponent is a holder of record or beneficial owner of shares of the Corporation entitled to vote at the annual meeting and intends to appear in person or by proxy at the meeting to propose such business; and (h) a representation whether the

Proponent intends to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding shares required to approve the proposal and/or otherwise to solicit proxies from stockholders in support of the proposal.

Notwithstanding anything in these Bylaws to the contrary, no business shall be conducted at the annual meeting except in accordance with the procedures set forth in this Section 3 of Article II or, in the case of the nomination of a person for election as a director, Section 2 of Article III; provided, however, that nothing in this Section 3 of Article II shall be deemed to preclude discussion by any stockholder of any business properly brought before the annual meeting in accordance with such procedures. Unless otherwise required by law, if a Proponent intending to propose business at an annual meeting pursuant to Section 3 of this Article II does not provide the information required under subparagraphs (c), (e) and (f) of the preceding paragraph to the Corporation promptly following the later of the record date or the date notice of the record date is first publicly disclosed, or the Proponent (or a qualified representative of the Proponent) does not appear at the meeting to present the proposed business, such business shall not be transacted, notwithstanding that proxies in respect of such business may have been received by the Corporation. The Chairman of the annual meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting in accordance with the provisions of Section 3 of this Article II, and if the Chairman of the annual meeting should so determine, the Chairman of the annual meeting shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted. The requirements of Section 3 of this Article II shall apply to any business to be brought before an annual meeting by a stockholder (other than the nomination of a person for election as a director, which is governed by Section 2 of Article III of these Bylaws) whether such business is to be included in the Corporation's proxy statement pursuant to Rule 14a-8 of the Exchange Act or presented to stockholders by means of an independently financed proxy solicitation. The requirements of Section 3 of this Article II are included to provide the Corporation notice of a stockholder's intention to bring business before an annual meeting and shall in no event be construed as imposing upon any stockholder the requirement to seek approval from the Corporation as a condition precedent to bringing any such business before an annual meeting. Nothing in these Bylaws shall be deemed to affect any rights (i) of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to, and in accordance with, Rule 14a-8 under the Exchange Act or (ii) of the holders of any series of Preferred Stock of the Corporation if and only to the extent provided for under law, the Certificate of Incorporation or these Bylaws.

Section 4. Notices of Annual Meetings. Written notice of each annual meeting of stockholders stating the place, date and hour of the meeting shall be given to each stockholder entitled to vote at such meeting not less than 10 nor more than 60 days before the date of the meeting. Notice of any meeting of stockholders shall not be required to be given to any stockholder who shall attend such meeting in person or by proxy, except that such notice shall be required for any stockholder who shall attend such meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened. Except as otherwise required by law, notice of any meeting of stockholders following an adjournment shall not be required to be given if the time and place thereof are announced at the meeting which is adjourned.

Section 5. Voting Lists. The officer who has charge of the stock ledger of the Corporation shall prepare and make or cause to be prepared and made through a transfer agent appointed by the Board of Directors, at least 10 days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least 10 days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

Section 6. Special Meetings. Special meetings of the stockholders, for any purpose or purposes, may be called only in accordance with the Certificate of Incorporation of the Corporation.

Section 7. Quorum. The holders of a majority of the stock issued and outstanding which are entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by statute, by the Certificate of Incorporation or by these Bylaws. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented any business may be transacted which might have been transacted at the meeting as originally notified. If the adjournment is for more than 30 days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

When a quorum is present at any meeting, unless otherwise required by law, the Certificate of Incorporation or these Bylaws or permitted by the rules of any stock exchange on which the Corporation's shares are listed for trading, any question brought before any meeting of the stockholders, other than the election of directors, shall be decided by the vote of the holders of a majority of the total number of votes of the Corporation's capital stock represented at the meeting and entitled to vote on such question, voting as a single class.

Section 8. Voting of Shares. The holders of Common Stock shall have such voting rights as are provided in the Certificate of Incorporation. The holders of Preferred Stock shall have such voting rights as may be provided in applicable Certificates of Designation.

Section 9. Proxies. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize, either in writing or by electronic transmission, another person or persons to act for him or her by proxy, but no proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period.

Section 10. Stock Ledger. The stock ledger of the Corporation shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list required by

Section 5 of this Article II or the books of the Corporation, or to vote in person or by proxy at any meeting of stockholders.

Section 11. Conduct of Meeting. The Chairman of the Board, or, if none or in his or her absence, the Chief Executive Officer or one of the Executive or Senior Vice Presidents, shall call meetings of the stockholders to order and act as Chairman of such meeting. In the absence of all these officers, the Board of Directors may appoint a Chairman of the meeting. The Secretary of the Corporation, or in his or her absence, an Assistant Secretary, if any, or, in the absence of both the Secretary and Assistant Secretaries, any person whom the Chairman shall appoint, shall act as secretary of the meeting of the stockholders. The conduct of any meeting of the stockholders shall be governed by such rules, regulations and procedures as the Chairman of the meeting, in his or her sole and exclusive discretion shall determine.

Section 12. Inspectors of Election. For each meeting of stockholders there shall be appointed by the Board of Directors or by the Chairman of the meeting three (3) inspectors of election. If any inspector shall fail or be unable to serve as inspector or for any reason be unable to complete his or her duties, an alternate inspector shall be appointed by the Board of Directors or the Chairman of the meeting. The inspectors of election shall examine and canvass the proxies and ballots, and make and submit a signed report of the votes cast at the meeting, which shall be entered at large upon the records.

Section 13. Inspectors' Oath. An inspector, before he enters into the duties of his or her office, shall take and subscribe an oath substantially in the following form before any officer authorized by law to administer oaths:

> "I do solemnly swear that I will execute the duties of an inspector of the election now to be held with strict impartiality and according to the best of my ability."

ARTICLE III

Directors

Section 1. Number, Tenure and Qualifications. The number of directors which shall constitute the whole board shall be as set forth in the Certificate of Incorporation. Directors need not be stockholders.

The Board of Directors shall be divided into three classes as nearly equal in number as reasonably possible. At each annual meeting of stockholders, successors to directors of the class whose terms then expire shall be elected to hold office for a term expiring at the third succeeding annual meeting of stockholders. If the number of directors is changed, any newly created directorships or any decrease in directorships shall be so apportioned among the classes as to make all classes as nearly equal in number as possible. Any additional director of any class elected to fill a vacancy resulting from an increase in such class shall hold office for a term that shall coincide with the remaining term of the class.

Except as provided in Section 3 of this Article, each director shall be elected by the vote of the majority of the votes cast with respect to the director at any meeting for the election of directors at which a quorum is present, provided that if, as of the date that is fourteen (14) days

in advance of the date that the Corporation files with the Securities and Exchange Commission its definitive proxy statement for the relevant meeting of stockholders (regardless of whether or not thereafter revised, amended or supplemented), the number of nominees exceeds the number of directors to be elected, the directors shall be elected by the vote of a plurality of the shares represented in person or by proxy at any such meeting and entitled to vote on the election of directors (and in such case stockholders shall not be permitted to vote "against" a nominee). For purposes of this Section, a majority of the votes cast means that the number of shares voted "for" a director must exceed the number of votes cast "against" that director. If a director does not receive a majority of the votes cast, the director shall offer to tender his or her resignation to the Board of Directors. The Nominating and Corporate Governance Committee will make a recommendation to the Board of Directors on whether to accept or reject the resignation, or whether other action should be taken. The Board of Directors will act on the Nominating and Corporate Governance Committee's recommendation and publicly disclose its decision and the rationale behind it within 90 days from the date of the certification of the election results. The director who tenders his or her resignation will not participate in the Board of Directors' decision.

Section 2. Nomination of Directors. Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors at an annual meeting of stockholders. Nominations of persons for election to the Board of Directors may be made at an annual meeting of stockholders by the Board of Directors or by any nominating committee or person appointed by the Board of Directors or by any stockholder of the Corporation entitled to vote for the election of directors at the annual meeting who complies with the notice procedures set forth in this Section 2. Nominations by stockholders shall be made pursuant to timely written notice to the Secretary of the Corporation. To be timely, such notice to the Secretary must be delivered to or mailed and received at the principal executive offices of the Corporation not less than ninety (90) days nor more than one hundred twenty (120) days prior to the anniversary date of the immediately preceding annual meeting of stockholders; provided, however, that in the event that the annual meeting is called for a date that is not within thirty (30) days before or after such anniversary date, notice by the stockholder in order to be timely must be received not later than the close of business on the tenth (10th) day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever first occurs. In no event shall any adjournment or postponement of an annual meeting commence a new time period for the giving of a stockholder's notice as described above. The written notice of the stockholder intending to make the nomination (the "Nomination Proponent") shall set forth: (i) the name, age, business address and residence address of each nominee proposed in such notice; (ii) the principal occupation or employment of each such nominee; (iii) the number of shares of capital stock of the Corporation which are owned of record and beneficially by each such nominee; (iv) a statement whether each such nominee, if elected, intends to tender, promptly following such person's failure to receive the required vote for election or reelection at the next meeting at which such person would face election or reelection, an irrevocable resignation effective upon acceptance of such resignation by the Board of Directors as required by Section 1 of this Article III; (v) with respect to each nominee for election or reelection to the Board of Directors, include a completed and signed questionnaire, representation and agreement required by Section 2 of this Article III; (vi) such other information concerning each such nominee as would be required to be disclosed in a proxy statement soliciting proxies for the election of such nominee as a director in an election contest (even if an election contest is not involved), or that is otherwise required to be disclosed, under

the rules of the Securities and Exchange Commission; and (vii) as to the Nomination Proponent (a) the name and address of the Nomination Proponent, and of any holder of record of the Nomination Proponent's shares as they appear on the Corporation's books, (b) the class and number of shares of the Corporation which are owned by the Nomination Proponent (beneficially and of record) and owned by any holder of record of the Nomination Proponent's shares, as of the date of the Nomination Proponent's notice, and a representation that the Nomination Proponent will notify the Corporation in writing of the class and number of such shares owned of record and beneficially as of the record date for the meeting promptly following the later of the record date or the date notice of the record date is first publicly disclosed, (c) a description of any agreement, arrangement or understanding with respect to such nomination between or among the Nomination Proponent and any of its affiliates or associates, and any others (including their names) acting in concert with any of the foregoing, and a representation that the Nomination Proponent will notify the Corporation in writing of any such agreement, arrangement or understanding in effect as of the record date for the meeting promptly following the later of the record date or the date notice of the record date is first publicly disclosed, (d) a description of any Derivative Instruments that has been entered into as of the date of the Nomination Proponent's notice by, or on behalf of, the Nomination Proponent or any of its affiliates or associates (including, without limitation, any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by an entity in which such Nomination Proponent is a partner, shareholder or other owner and any performance-related fees that such Nomination Proponent is entitled to based on any increase or decrease in the value of shares of stock of the Corporation or Derivative Instruments), and a representation that the Nomination Proponent will notify the Corporation in writing of any such Derivative Instruments in effect as of the record date for the meeting promptly following the later of the record date or the date notice of the record date is first publicly disclosed, (e) a representation that the Nomination Proponent is a holder of record or beneficial owner of shares of the Corporation entitled to vote at the meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice, and (f) a representation whether the Nomination Proponent intends to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to approve the nomination and/or otherwise to solicit proxies from stockholders in support of the nomination. The Corporation may require any proposed nominee to furnish such other information as it may reasonably require to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such nominee.

If the Chairman of the meeting determines that a nomination of any candidate for election as a director was not made in accordance with the applicable provisions of these Bylaws, such nomination shall be void. Notwithstanding anything in these Bylaws to the contrary, unless otherwise required by law, if a Nomination Proponent intending to make a nomination at an annual meeting pursuant to Section 2 of this Article III does not provide the information required under clauses (b) through (d) of subparagraph (vii) of the preceding paragraph to the Corporation promptly following the later of the record date or the date notice of the record date is first publicly disclosed, or the Nomination Proponent (or a qualified representative of the Nomination Proponent) does not appear at the meeting to present the nomination, such nomination shall be disregarded, notwithstanding that proxies in respect of such nomination may have been received by the Corporation.

To be eligible to be a nominee for election or reelection as a director of the Corporation, a person must deliver (in accordance with the time periods prescribed for delivery of notice under Section 2 of this Article III) to the Secretary of the Corporation at the principal executive offices of the Corporation a written questionnaire with respect to the background and qualification of such person and the background of any other person or entity on whose behalf the nomination is being made (which questionnaire shall be provided by the Secretary upon written request) and a written representation and agreement (in the form provided by the Secretary upon written request) that such person (i) is not and will not become a party to (A) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director of the Corporation, will act or vote on any issue or question (a "Voting Commitment") that has not been disclosed to the Corporation or (B) any Voting Commitment that could limit or interfere with such person's ability to comply, if elected as a director of the Corporation, with such person's fiduciary duties under applicable law; (ii) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed therein; and (iii) in such person's individual capacity and on behalf of any person or entity on whose behalf the nomination is being made, would be in compliance, if elected as a director of the Corporation, and will comply with, applicable law and all applicable publicly disclosed corporate governance, conflict of interest, corporate opportunities, confidentiality and stock ownership and trading policies and guidelines of the Corporation.

Section 3. Newly Created Directorships and Vacancies. Newly created directorships and vacancies which shall occur in the Board of Directors because of death, resignation, disqualification, any increase in the number of directors or any other cause, may be filled by a majority of the directors then in office, though less than a quorum, pursuant to Section 223 of the General Corporation Law of Delaware and the Corporation's Certificate of Incorporation. Such directors may, by resolution, eliminate any vacant directorship thereby reducing the size of the whole Board of Directors but in no event shall the size of the Board of Directors be reduced to less than three directors. No decrease in the Board of Directors shall shorten the term of any incumbent directors.

Section 4. General Powers. The business of the Corporation shall be managed under the direction of its Board of Directors which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these Bylaws directed or required to be exercised or done by the stockholders.

Section 5. Meetings. The Board of Directors of the Corporation may hold meetings, both regular and special, either within or without the State of Delaware.

Section 6. Regular Meetings. Regular meetings of the Board of Directors may be held without notice at such time and at such place as shall from time to time be determined by the Board of Directors.

Section 7. Special Meetings. Special meetings of the Board of Directors may be called at the request of the Chairman of the Board, the Chief Executive Officer, or any three members of the Board of Directors. Notice of the time and place of such meeting shall be given

to each director by mail not less than three (3) days before the meeting or personally, by courier, telephone, facsimile, telecopy or by other electronic means to each director not less than twelve (12) hours before such meeting.

Section 8. Quorum. At all meetings of the Board of Directors a majority of the directors shall constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute or by the Certificate of Incorporation or by these Bylaws or the rules and regulations of any securities exchange on which the Corporation's securities are listed for trading. If a quorum shall not be present at any meeting of the Board of Directors the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 9. Organization. At each meeting of the Board of Directors, the Chairman of the Board, or in his or her absence, the Chief Executive Officer of the Corporation, or in his or her absence, a Vice Chairman, or in the absence of all of said officers, a Chairman chosen by a majority of the directors present, shall preside. The Secretary of the Corporation, or in his or her absence, an Assistant Secretary, if any, or, in the absence of both the Secretary and Assistant Secretaries, any person whom the Chairman shall appoint, shall act as secretary of the meeting.

Section 10. Informal Action by Directors. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all members of the Board of Directors or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or committee.

Section 11. Participation by Conference Telephone. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting of the Board or such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Section shall constitute presence in person at such meeting.

Section 12. Compensation. The directors may receive reasonable fees to be determined from time to time by the Board of Directors for services actually performed in attending meetings and for other services actually performed and the expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board of Directors. A director who is, at the same time, an officer or employee of the Corporation or an officer or employee of a subsidiary or affiliate more than 50% owned by the Corporation, shall not be entitled to receive any compensation or fee for service as a director or as a member of any committee of the Board of Directors.

ARTICLE IV

Committees

Section 1. Committees of the Board of Directors. The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the Corporation. Each member of a committee must meet the requirements for membership, if any, imposed by applicable law and the rules and regulations of any securities exchange on which the securities of the Corporation are listed for trading. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of any such committee. Subject to the rules and regulations of any securities exchange on which the securities of the Corporation are listed for trading, in the absence or disqualification of a member of a committee, and in the absence of a designation by the Board of Directors of an alternate member to replace the absent or disqualified member, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another qualified member of the Board of Directors to act at the meeting in the place of any absent or disqualified member. Any committee, to the extent permitted by law and provided in the resolution establishing such committee, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it. Each committee shall keep regular minutes and report to the Board of Directors when required. Notwithstanding anything to the contrary contained in this Article IV, the resolution of the Board of Directors establishing any committee of the Board of Directors and/or the charter of any such committee may establish requirements or procedures relating to the governance and/or operation of such committee that are different from, or in addition to, those set forth in these Bylaws and, to the extent that there is any inconsistency between these Bylaws and any such resolution or charter, the terms of such resolution or charter shall be controlling. Subject to the provisions of Section 12 of Article III of these Bylaws, each member of any Committee may receive a reasonable fee to be fixed by the Board of Directors for services actually performed in attending meetings, and for other services actually performed, and shall receive expenses of attendance, if any are actually incurred by member for attendance at any meeting of the Committee.

Section 2. Subcommittees. A Committee may appoint such subcommittees as it shall deem necessary.

Section 3. Vacancies. Any vacancy in a Committee shall be filled by a majority of the whole Board of Directors.

ARTICLE V

Notices

Section 1. Written Notice. Whenever, under the provisions of the statutes or of the Certificate of Incorporation or of these Bylaws, notice is required to be given to any director or stockholder, such notice shall be in writing and shall be given in person or by mail to such

director or stockholder, except that notice to directors may also be given personally by courier, telephone, facsimile, telecopy or by other electronic means. If mailed, notice shall be addressed to such director or stockholder at his or her address as it appears on the records of the Corporation, with postage thereon prepaid, and shall be deemed to be given at the time when the same shall be deposited in the United States mail.

Section 2. Waiver of Notice. Whenever any notice is required to be given under the provisions of the statutes or of the Certificate of Incorporation or of these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

ARTICLE VI

Officers

Section 1. Number. The officers of the Corporation shall be chosen by the Board of Directors and shall include a Chief Executive Officer, a Treasurer and a Secretary. The Board of Directors, in its discretion, may also choose a Chairman of the Board and one or more Vice Chairmen of the Board from among their members, one or more Executive Vice Presidents, one or more Senior Vice Presidents, one or more additional Vice Presidents, and one or more Assistant Treasurers and Assistant Secretaries. The Board of Directors may also elect a Chief Financial Officer and a Chief Operating Officer. The Board of Directors may appoint such other officers and agents as it shall deem desirable who shall hold their offices for such terms and shall exercise such powers and responsibilities and perform such duties as shall be specified and from time to time modified or changed by the Board of Directors. Any number of offices may be held by the same person, unless the Certificate of Incorporation or these Bylaws otherwise provide. The officers of the Corporation need not be stockholders of the Corporation.

Section 2. Election and Term of Office. The Board of Directors at its first meeting after each annual meeting of stockholders shall elect the officers of the Corporation. The officers of the Corporation shall hold office until their successors shall have been duly elected or appointed and qualified, or until they shall become disabled, die, retire, resign or be removed.

Section 3. Removal. Any officer or agent elected or appointed by the Board of Directors may be removed, with or without cause, at any time by the affirmative vote of a majority of the Board of Directors present at any meeting or by any committee or superior officer upon whom such power of removal may be conferred by the Board of Directors. All officers and employees not appointed by the Board of Directors shall hold their offices at the discretion of the Executive Committee or of the officer appointing them.

Section 4. Vacancies. The Board of Directors shall, as soon as practicable, fill any vacancy in the office of Chief Executive Officer. Any vacancy in any other office may be filled temporarily by the Chairman of the Board, or Chief Executive Officer. In case of temporary incapacity or absence of any of the officers, the Chairman of the Board, or the Chief Executive Officer, may make an appointment pro tem and confer on such appointee full power and authority to act in place of any of said officers or appointees so temporarily incapacitated or absent; but such appointment shall be subject to change by the Board of Directors or by the Executive Committee at any regular or special meeting.

Section 5. Resignations. Any officer may resign at any time by giving written notice to the Corporation. Such resignation shall take effect at the date of the receipt of such notice, or at any later time specified therein and, unless otherwise provided therein, the acceptance of such resignation shall not be necessary to make it effective.

CHAIRMAN OF THE BOARD

Section 6. Duties. The Chairman of the Board, if one is elected, shall preside, if present, at all meetings of the Board of Directors. The Chairman of the Board shall also perform such other duties and he or she may exercise such other powers as from time to time may be prescribed by these Bylaws or by the Board of Directors. In his or her absence, the Chief Executive Officer shall discharge the duties of the Chairman of the Board.

VICE CHAIRMEN OF THE BOARD

Section 7. Duties. The Vice Chairmen of the Board, if any, shall perform such duties and may exercise such powers as from time to time may be prescribed by the Board of Directors.

CHAIRMAN OF THE EXECUTIVE COMMITTEE

Section 8. Duties. The Chairman of the Executive Committee shall preside at all meetings of the Executive Committee. In the absence of the Chairman of the Executive Committee, his or her duties shall be discharged by the Chief Executive Officer.

CHIEF EXECUTIVE OFFICER

Section 9. General Powers and Duties. The Chief Executive Officer shall have the general care, supervision and control of the Corporation's business and operations. The Chief Executive Officer shall have such other powers and perform such other duties as the Board of Directors may from time to time prescribe and shall perform such other duties as are incidental to the office of Chief Executive Officer. In the event there is no Chairman of the Board or in the absence or incapacity of the Chairman of the Board, he shall preside at all meetings of the Board of Directors and stockholders.

Section 10. Appointments. Except as otherwise provided by statute, the Certificate of Incorporation, or these Bylaws, the Chief Executive Officer may employ such persons as he shall deem necessary for the proper management of the business and property of the Corporation.

PRESIDENT AND VICE PRESIDENTS

Section 11. Powers and Duties. The President and Vice Presidents shall have such designations or titles and powers and perform such duties as shall from time to time be conferred and prescribed by the Board of Directors, the Chairman of the Board or the Chief Executive Officer.

SECRETARY

Section 12. Duties. The Secretary, or, in his or her absence, an Assistant Secretary, shall attend all meetings of the stockholders, of the Board of Directors and of the Committees of the Board of Directors.

Section 13. Notice of Meetings. The Secretary, or any Assistant Secretary, shall give due notice of all meetings of the stockholders and of the Board of Directors and of the Executive Committee, where such notice is required by law, by the Certificate of Incorporation, by these Bylaws, by the Board of Directors or by the Executive Committee.

Section 14. Custody of Seal. The Secretary shall be custodian of the seal of the Corporation, of its records, and of such papers and documents as may be committed to his or her care by the Board of Directors or of the Executive Committee. He shall have power to affix the seal of the Corporation to instruments to which the same is authorized to be affixed by the Board of Directors or by the Executive Committee, and shall have power to attest the same. He shall perform such other duties as may be assigned to him by the Chairman of the Board (if any), the Chief Executive Officer, the Board of Directors or the Executive Committee, or as may be prescribed in the rules or regulations to be adopted by the Board of Directors.

Section 15. Duties of Assistant Secretaries. The Assistant Secretary or Secretaries shall perform the duties of the Secretary in his or her absence and such duties as may be assigned to him or them by the Board of Directors, the Executive Committee, the Chairman of the Board, or the Chief Executive Officer, or as may be prescribed in the rules or regulations to be adopted by the Board of Directors or the Executive Committee; and, he or they shall have the power to affix the corporate seal to instruments and to attest the same and to sign the certificates of stock of the Corporation.

OTHER OFFICERS

Section 16. Other Officers. Such other officers as the Board of Directors may choose shall perform such duties and have such powers as from time to time may be assigned to them by the Chief Executive Officer or the Board of Directors. The Board of Directors may delegate to any officer of the Corporation the power to choose such other officers and to prescribe their respective duties and powers.

Section 17. Other Positions. The Chief Executive Officer may authorize the use of titles, including the titles of chairman, Chief Executive Officer and vice president, by individuals who hold management positions with the business groups, divisions or other operational units of the Corporation, but who are not and shall not be deemed officers of the Corporation. Individuals in such positions shall hold such titles at the discretion of the appointing officer, who shall be the Chief Executive Officer or any officer to whom the Chief Executive Officer delegates such appointing authority, and shall have such powers and perform such duties as such appointing officer may from time to time determine.

ARTICLE VII

Certificates Of Stock and Their Transfer

Section 1. Shares of Stock. The shares of capital stock of the Corporation shall be represented by a certificate, unless and until the Board of Directors of the Corporation adopts a resolution permitting shares to be uncertificated. Notwithstanding the adoption of any such resolution providing for uncertificated shares, every holder of capital stock of the Corporation theretofore represented by certificates and, upon request, every holder of uncertificated shares, shall be entitled to have a certificate for shares of capital stock of the Corporation signed by, or in the name of the Corporation by, (a) the Chairman of the Board, the Vice Chairman of the Board, the Chief Executive Officer, the President or any Executive Vice President, and (b) the Chief Financial Officer, the Treasurer, the Secretary or an Assistant Secretary, certifying the number of shares owned by such stockholder in the Corporation.

Section 2. Lost Certificates. The Board of Directors may direct a new certificate or uncertificated shares be issued in place of any certificate theretofore issued by the Corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such issuance of a new certificate or uncertificated shares, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate, or such owner's legal representative, to advertise the same in such manner as the Board of Directors shall require and/or to give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate or the issuance of such new certificate or uncertificated shares.

Section 3. Transfers. Stock of the Corporation shall be transferable in the manner prescribed by applicable law and in these By-Laws. Transfers of stock shall be made on the books of the Corporation, and in the case of certificated shares of stock, only by the person named in the certificate or by such person's attorney lawfully constituted in writing and upon the surrender of the certificate therefor, properly endorsed for transfer and payment of all necessary transfer taxes; or, in the case of uncertificated shares of stock, upon receipt of proper transfer instructions from the registered holder of the shares or by such person's attorney lawfully constituted in writing, and upon payment of all necessary transfer taxes and compliance with appropriate procedures for transferring shares in uncertificated form; provided, however, that such surrender and endorsement, compliance or payment of taxes shall not be required in any case in which the officers of the Corporation shall determine to waive such requirement. With respect to certificated shares of stock, every certificate exchanged, returned or surrendered to the Corporation shall be marked "Cancelled," with the date of cancellation, by the Secretary or Assistant Secretary of the Corporation or the transfer agent thereof. No transfer of stock shall be valid as against the Corporation for any purpose until it shall have been entered in the stock records of the Corporation by an entry showing from and to whom transferred.

Section 4. Transfer and Registry Agents. The Corporation may maintain a transfer office or agency where its stock shall be directly transferable and a registry office, which may be identical with the transfer or agency, where its stock shall be registered; and the Corporation may, from time to time, maintain one or more other transfer offices or agencies, and registry

offices; and the Board of Directors may from time to time, define the duties of such transfer agents and registrars and make such rules and regulations as it may deem expedient, not inconsistent with these Bylaws, concerning the issue, transfer and registration of certificates for shares of the capital stock of the Corporation.

Section 5. Closing of Transfer Books; Record Date. The Board of Directors may close the stock transfer books of the Corporation for a period of not more than sixty (60) days nor less than ten (10) days preceding the date of any meeting of stockholders or the date for payment of any dividend or the date for the allotment of rights or the date when any change or conversion or exchange of capital stock shall go into effect. In lieu of closing the stock transfer books as aforesaid, the Board of Directors may fix in advance a date, not more than sixty (60) days nor less than ten (10) days preceding the date of any meeting of stockholders, or the date for the payment of any dividend, or the date for the allotment of rights, or the date when any change or conversion or exchange of capital stock shall go into effect, as a record date for the determination of the stockholders entitled to notice of, and to vote at, any such meeting, and any adjournment thereof, or entitled to receive payment of any such dividend, or to any such allotment of rights, or to exercise the rights in respect of any such change, conversion or exchange of capital stock and, in such case, such stockholders and only such stockholders as shall be stockholders of record on the date so fixed shall be entitled to such notice of, and to vote at, such meeting and any postponement and adjournment thereof, or to receive payment of such dividend, or to receive such allotment of rights, or to exercise such rights, as the case may be notwithstanding any transfer of any stock on the books of the Corporation after any such record date fixed as aforesaid. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournments or postponement of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned or postponed meeting.

Section 6. Registered Stockholders. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends and to vote as such owner, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE VIII

Amendments and General Provisions

Section 1. Amendments. These Bylaws may only be altered, amended or repealed in accordance with the Corporation's Certificate of Incorporation.

Section 2. Proxies. Unless otherwise provided by resolution of the Board of Directors, the Chief Executive Officer or any Vice President, from time to time in the name and on behalf of the Corporation may: (i) himself cast the votes which the Corporation may be entitled to cast as a stockholder or otherwise in any other corporation any of whose stock or other securities may be held by the Corporation, at meetings of the holders of the stock or other securities of such other corporations or consent in writing to any action by such other corporation; (ii) appoint an attorney or attorneys, agent or agents of the Corporation, in the name and on behalf of the Corporation, to cast the votes which the Corporation may be entitled to cast as a stockholder or otherwise in any other corporation any of whose stock or other securities may

be held by the Corporation, at meetings of the holders of the stock or other securities of such other corporations or to consent in writing to any action by such other corporation, may instruct the person or persons so appointed as to the manner of casting such votes or giving such consent and may execute or cause to be executed in the name or on behalf of the Corporation and under its corporate seal all such written proxies or other instruments as may be necessary or proper to evidence the appointment of such attorneys and agents.

Section 3. Fiscal Year. The fiscal year of the Corporation shall end on the last day of December in each year.

Exhibit 10.1

JANUS CAPITAL GROUP INC.

AMENDED AND RESTATED INCOME DEFERRAL PROGRAM

Effective as of January 22, 2008

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ARTICLE I – INTRODUCTION

Janus Capital Group Inc. (the "Company") has established the Janus Capital Group Inc. Amended and Restated Income Deferral Program (the "Plan") to permit eligible employees to defer base pay, periodic incentive compensation and certain awards made under its compensation programs. The Plan was originally adopted on November 9, 2004, was amended on each of December 7, 2004, December 15, 2006 and April 30, 2007, and is amended and restated effective January 22, 2008.

This document sets forth the terms of the Plan, specifying the group of Employees of the Company and certain affiliated employers who are eligible to make deferrals, the procedures for electing to defer compensation and the Plan's provisions for maintaining and paying out amounts that have been deferred.

ARTICLE II – DEFINITIONS

When used in this Plan, the following underlined terms shall have the meanings set forth below unless a different meaning is plainly required by the context:

2.01 Account:

The account maintained for a Participant on the books of his or her Employer to determine, from time to time, the Participant's interest under this Plan. The balance in such Account shall be determined by the Plan Administrator's delegate. Each Participant's Account shall consist of at least one Deferral Subaccount for each separate deferral under Section 4.02. The Plan Administrator's delegate may also establish such additional Deferral Subaccounts as it deems necessary for the proper administration of the Plan. The Plan Administrator's delegate may also combine Deferral Subaccounts to the extent it deems separate accounts are not needed for sound recordkeeping. Where appropriate, a reference to a Participant's Account shall include a reference to each applicable Deferral Subaccount that has been established thereunder.

2.02 Base Compensation:

An Eligible Employee's adjusted base salary, to the extent paid in U.S. dollars from an Employer's U.S. payroll. For any applicable payroll period, an Eligible Employee's adjusted base salary shall be determined after reductions for applicable tax withholdings, authorized deductions (including deductions for any qualified retirement plan under Code section 401(a), any cafeteria plan maintained under Code section 125 and charitable donations), tax levies, garnishments and such other amounts as the Plan Administrator recognizes as reducing the amount of base salary available for deferral.

2.03 Beneficiary:

The person or persons properly designated by a Participant, as determined by the Plan Administrator's delegate, to receive the amounts in one or more of the Participant's Deferral Subaccounts in the event of the Participant's death. To be effective, any Beneficiary designation must be in writing, signed by the Participant, and filed with the Plan Administrator's delegate prior to the Participant's death. In the case of a Participant who has a Spouse on the date of his or her death, a designation of a Beneficiary other than such Spouse shall only be effective if such Spouse has provided written consent to the designation that is witnessed by a notary public. In addition, the designation must meet such other standards as the Plan Administrator shall require from time to time. If no designation is validly in effect at the time of a Participant's death or if all designated Beneficiaries have predeceased the Participant, then the Participant's Beneficiary shall be his or her Spouse. If the Participant has no Spouse or if the Participant's Spouse has predeceased the Participant, then the Participant's Beneficiary shall be his or her children (paid on a per stirpes basis). If the Participant has no children or if the Participant's children have predeceased the Participant, then the Participant's Beneficiary shall be his or her estate. A Beneficiary designation of an individual by name (or name and relationship) remains in effect regardless of any change in the designated individual's relationship to the Participant. A Beneficiary designation solely by relationship (for example, a designation of "Spouse," that does not give the name of the Spouse) shall designate whoever is the person in that relationship to the Participant at his or her death. An individual who is otherwise a Beneficiary with respect to a Participant's Account ceases to be a Beneficiary when all payments have been made from the Account.

2.04 Bonus Compensation:

An Eligible Employee's adjusted annual cash incentive award under his or her Employer's annual incentive or performance plan, to the extent paid in U.S. dollars from an Employer's U.S. payroll. An Eligible Employee's annual incentive or performance awards shall be adjusted to reduce them for applicable tax withholdings, authorized deductions (including deductions for a qualified retirement plan under Code section 401(a), a cafeteria plan under Code section 125 and charitable donations), tax levies, garnishments and such other amounts as the Plan Administrator recognizes as reducing the amount of such awards available for deferral.

2.05 Change in Ownership:

A change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the assets of the Company as defined in Reg. 1.409A-3(i)(5).

2.06 Code:

The Internal Revenue Code of 1986, as amended from time to time.

2.07 Common Stock:

The common stock, $.01 par value, of the Company.

2.08 Company:

Janus Capital Group Inc., a corporation organized and existing under the laws of the State of Delaware, or its successor or successors.

2.09 Deferral Subaccount:

A subaccount of a Participant's Account maintained to reflect his or her interest in the Plan attributable to each deferral (or separately tracked portion of a deferral) of Base Compensation, Periodic Incentive Compensation, Bonus Compensation, and Equity Compensation respectively and, as applicable, earnings or losses credited to such subaccount in accordance with Section 5.01(b).

2.10 Disability:

A Participant shall be considered to suffer from a Disability if, in the judgment of the Plan Administrator's delegate, the Participant:

(a) Is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or

(b) Is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than 3 months under an accident and health plan covering employees of the Participant's Employer.

2.11 Distribution Date:

Distribution Date shall have the same meaning as Valuation Date; provided, however, if the Valuation Date is more frequent than once per month, the Distribution Date shall mean the first day of each month.

2.12 Election Form:

The form prescribed by the Plan Administrator's delegate on which a Participant specifies the amount of his or her Base Compensation, Periodic Incentive Compensation, Bonus Compensation and Equity Compensation to be deferred pursuant to the provisions of Article IV. An Election Form need not exist in a paper format, and it is expressly contemplated that the Plan Administrator's delegate may adopt such technologies, including voice response systems, emails, electronic forms and internet or intranet sites, as it deems appropriate from time to time.

2.13 Eligible Employee:

The term, Eligible Employee, shall have the meaning given to it in Section 3.01(b).

2.14 Employee:

Any person who is: (a) classified by his or her Employer as a common-law employee, and (b) receiving remuneration that is paid in U.S. dollars from an Employer's U.S. payroll for personal services rendered in the employment of an Employer.

2.15 Employer:

Each division of the Company and each of the Company's subsidiaries and affiliates (if any) that is currently designated by the Plan Administrator as an employer that is participating in the Plan for the benefit of its Employees.

2.16 Equity Compensation:

An Eligible Employee's annual equity award under his or her Employer's annual incentive or performance plan, to the extent designated to be paid in restricted shares of Common Stock or Restricted Stock Units denominated in Company Common Stock.

2.17 ERISA:

Public Law 93-406, the Employee Retirement Income Security Act of 1974, as amended from time to time.

2.18 Key Employee:

Any Eligible Employee or former Eligible Employee who, as of December 31st of the Plan Year preceding the Plan Year in which the employee incurs a Separation from Service, is:

(a) an officer of the Employer or an Affiliate of the Employer who maintains a "Vice President 4" or higher office (or equivalent designation) as defined by the Human Resources Department of the Company; or

(b) a 5 percent owner of the Employer; or

(c) a 1-percent owner of the Employer having annual compensation of more than $150,000.

2.19 Misconduct:

(a) Before the occurrence of a change in control (as defined below), unless otherwise provided through specific terms included in an Election Form by authorization of the Plan Administrator, any one or more of the following, as determined by the Plan Administrator:

(1) A Participant's commission of a crime which, in the judgment of the Plan Administrator, resulted or is likely to result in damage or injury to the Company or a Subsidiary;

(2) The material violation by the Participant of written policies of the Company or a Subsidiary;

(3) The habitual neglect or failure by the Participant in the performance of his or her duties to the Company or a Subsidiary (but only if such neglect or failure is not remedied within a reasonable remedial period after Participant's receipt of written notice from the Company which describes such neglect or failure in reasonable detail and specifies the remedial period); or

(4) Action or inaction by the Participant in connection with his or her duties to the Company or a Subsidiary resulting, in the judgment of the Plan Administrator, in material injury to the Company or a Subsidiary; and

For purposes of this subsection and subsection (b) below, the term "change of control" shall have the meaning that is assigned to such term under the Company's most recently effective long term incentive stock plan.

(b) From and after the occurrence of a change of control, unless otherwise provided through specific terms included in an Election Form by the Plan Administrator, the occurrence of any one or more of the following, as determined in the good faith and reasonable judgment of the Plan Administrator:

(1) Participant's conviction for committing an act of fraud, embezzlement, theft, or any other act constituting a felony involving moral

turpitude or causing material damage or injury, financial or otherwise, to the Company;

(2) A demonstrably willful and deliberate act or failure to act which is committed in bad faith, without reasonable belief that such action or inaction is in the best interests of the Company, which causes material damage or injury, financial or otherwise, to the Company (but only if such act or inaction is not remedied within 15 business days of Participant's receipt of written notice from the Company which describes the act or inaction in reasonable detail); or

(3) The consistent gross neglect of duties or consistent wanton negligence by the Participant in the performance of the Participant's duties (but only if such neglect or negligence is not remedied within a reasonable remedial period after Participant's receipt of written notice from the Company which describes such neglect or negligence in reasonable detail and specifies the remedial period).

2.20 Participant:

Any Eligible Employee who is qualified to participate in this Plan in accordance with Section 3.01 and who has an Account (including, as applicable, any former Employee who has an Account at the time the Employee terminated employment). An active Participant is one who is currently deferring under Section 4.01.

2.21 Performance-Based Compensation:

Any performance-based compensation (within the meaning of Reg. 1.409A(a)-1(4d)3ii)) based on services performed over a period of at least 12 months.

2.22 Periodic Incentive Compensation:

An Eligible Employee's adjusted periodic cash incentive, commission or performance award under his or her Employer's incentive, commission or performance plan, to the extent paid in U.S. dollars from an Employer's U.S. payroll. An Eligible Employee's periodic incentive, commission or performance awards shall be adjusted to reduce them for applicable tax withholdings, authorized deductions (including deductions for a qualified retirement plan under Code section 401(a), a cafeteria plan under Code section 125 and charitable donations), tax levies, garnishments and such other amounts as the Plan Administrator recognizes as reducing the amount of such payments or awards available for deferral.

2.23 Permissible Events:

The events that may be selected by a Participant to terminate a period of deferral and to trigger a Plan distribution, *i.e.*, Separation from Service ; provided that the event is a permissible payment event under Section 409A of the Code.

2.24 Plan:

The Janus Capital Group Inc. Amended and Restated Income Deferral Program, as set forth herein and as it may be amended and restated from time to time.

2.25 Plan Administrator:

The Board or a committee appointed by the Board to administer the Plan ("Plan Committee"). The Plan Committee shall consist of two or more directors of the Company, all of whom qualify as "non-employee directors" within the meaning of Rule 16b-3. The number of members of the Plan Committee shall from time to time be increased or decreased, and shall be subject to such conditions, in each case as the Board deems appropriate to permit transactions in securities (including derivative securities) of the Company pursuant to the Plan to satisfy such conditions of Rule 16b-3 as then in effect.

2.26 Plan Year:

The 12-consecutive month period beginning on January 1 and ending on December 31.

2.27 Restricted Stock Unit:

A bookkeeping entry representing the equivalent of one share of Common Stock that is payable in the form of Common Stock, cash, or any combination of the foregoing. Restricted Stock Units shall be granted under the 2005 Long Term Incentive Stock Plan (and any successor plan) and shall be subject to the terms thereof.

2.28 Retirement:

Separation from Service with the Company and all affiliates (other than for Misconduct) after attaining eligibility for retirement. A Participant attains eligibility for retirement when he or she attains: (i) at least age 55 with 10 or more years of service, or (ii) at least age 65.

2.29 Section 409A:

Section 409A of the Code and the applicable regulations and other guidance of general applicability that is issued thereunder.

2.30 Separation from Service:

A Participant's separation from service with the Company, all Employers and all other Company subsidiaries and affiliates, and which meets the requirements of Section 409A(a)(2)(A)(i).

2.31 Spouse:

An individual shall be considered a Participant's Spouse for purposes of this Plan if: (i) the individual is of the opposite gender to the Participant, (ii) the individual and the Participant are considered to be legally married (including a common law marriage, if the common law marriage was formed in one of the states that permit the formation of a common law marriage), and (iii) the marriage of the individual and the Participant is recognized on the relevant day as valid in the state where the Participant resides.

2.32 Start Date:

The date this Plan originally became effective, the 9th day of November, 2004.

2.33 Unforeseeable Emergency:

A severe financial hardship to the Participant resulting from –

(a) An illness or accident of the Participant, the Participant's Spouse or a dependent (as defined in Code section 152(a)) of the Participant;

(b) Loss of the Participant's property due to casualty; or

(c) Any other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant.

The Plan Administrator's delegate shall determine the occurrence of an Unforeseeable Emergency in accordance with Section 409A(a)(2)(B)(ii).

2.34 Valuation Date:

Each date as specified by the Plan Administrator from time to time as of which Participant Accounts are valued in accordance with Plan procedures that are currently in effect. As of the Start Date, the Valuation Dates are March 31, June 30, September 30 and December 31. In accordance with procedures that may be adopted by the Plan Administrator, any current Valuation Date may be changed. Values are determined as of the close of a Valuation Date or, if such date is not a business day, as of the close of the immediately preceding business day.

ARTICLE III – ELIGIBILITY AND PARTICIPATION

3.01 Eligibility to Participate.

(a) Only Eligible Employees shall be eligible to defer compensation under this Plan. During the period an individual satisfies all of the eligibility requirements of this Section, he or she shall be referred to as an Eligible Employee.

(b) An Eligible Employee shall mean any Employee who is currently classified by the Plan Administrator as satisfying one or more of the following eligibility criteria:

(1) an officer of the Employer who maintains a "Vice President 4" or higher office (or equivalent designation) as defined by the Human Resources Department of the Company;

(2) a portfolio manager of a Janus mutual fund, private account, or commingled fund;

(3) a senior sales representative having annual compensation greater than $1,000,000; and

(4) a senior officer of a Company subsidiary that is specifically designated to be eligible by the Plan Administrator or its delegate.

Notwithstanding the preceding sentence, from time to time the Plan Administrator may modify, limit or expand the class of Eligible Employees eligible to defer hereunder, pursuant to criteria for eligibility that need not be uniform among all or any group of Eligible Employees.

(c) Each Eligible Employee becomes an active Participant on the date an amount is first withheld from his or her compensation pursuant to an Election Form submitted by the Eligible Employee to the delegate of the Plan Administrator in accordance with Section 4.01.

3.02 Termination of Eligibility to Defer.

A Participant's eligibility to make future deferrals under Section 4.01 shall terminate upon the date he or she ceases to be an Eligible Employee who is described in either the first or second sentence of Section 3.01(b). After termination of an individual's eligibility to make future deferrals under the Plan, the individual shall be an inactive Participant in this Plan.

3.03 Termination of Participation.

An individual, who is a Participant (whether active or inactive) under the Plan, ceases to be a Participant on the date his or her Account is fully paid out.

ARTICLE IV – DEFERRAL OF COMPENSATION

4.01 Deferral Elections.

(a) Each Eligible Employee may make an election to defer under the Plan any whole percentage of his or her Base Compensation (up to 50%), Periodic Incentive Compensation (up to 100%), Bonus Compensation (up to 100%), and Equity Compensation (up to 100%) in the manner described in Section 4.02. With respect to Periodic Incentive Compensation and Bonus Compensation, the Participant may specify two alternative deferral percentages that will be applicable to Periodic Incentive Compensation, Bonus Compensation, and/or Equity Compensation; one deferral percentage will apply to a Participant's Periodic Incentive Compensation, Bonus Compensation, and/or Equity Compensation if his or her bonus is equal to or greater than a specified target amount, and the other deferral percentage (including 0%) will apply to a Participant's Periodic Incentive Compensation, Bonus Compensation, and/or Equity Compensation if his or her bonus is less than that specified target amount. Any percentage of Base Compensation deferred by an Eligible Employee for a Plan Year will be deducted each pay period during the Plan Year for which he or she has Base Compensation and is an employee of the Company. The percentage of Periodic Incentive Compensation and Bonus Compensation deferred by an Eligible Employee for a Plan Year will be deducted from his or her payment under the applicable compensation program at the time it would otherwise be made, provided he or she remains an employee of the Company at such time. The percentage of Equity Compensation deferred by an Eligible Employee for a Plan Year will be granted in the form of Restricted Stock Units with payment dates in accordance with the Eligible Employee's election under the terms of the Plan and will be granted in lieu of shares of restricted Common Stock or other equity awards that would have otherwise been granted to the Eligible Employee; provided that the restrictions on such Restricted Stock Units shall lapse on such dates and under such circumstances as the restrictions would have lapsed absent the deferral.

(b) Notwithstanding subsection (a) above, the Plan Administrator in its discretion may implement rules and procedures from time to time that allow Participants: (1) to elect to defer Base Compensation, Periodic Incentive Compensation, Bonus Compensation, and/or Equity Compensation in amounts other than whole percentages, such as in whole dollar amounts or whole shares of Company Common Stock, or (2) to specify a dollar maximum that would limit their percentage

deferral elections of Base Compensation, Periodic Incentive Compensation, Bonus Compensation and/or Equity Compensation.

(c) To be effective, an Eligible Employee's Election Form must set forth the percentage of Base Compensation, Periodic Incentive Compensation, Bonus Compensation, and Equity Compensation to be deferred in accordance with subsection (a) above (or amount in accordance with subsection (b)), the deferral period under Section 4.03, the form of payment under Section 4.04, the initial phantom investment option or options under Section 5.02 to which the deferred amount will be credited initially (other than for Equity Compensation which shall be deemed to be invested in shares of Common Stock), the Eligible Employee's Beneficiary designation, and any other information that may be required by the Plan Administrator from time to time. In addition, the Election Form must meet the requirements of Section 4.02 below.

4.02 Time and Manner of Deferral Election.

(a) Deferrals of Base Compensation. Subject to the next two sentences, an Eligible Employee must make a deferral election for a Plan Year with respect to Base Compensation by November 30th of the year prior to the beginning of the Plan Year in which the Base Compensation would otherwise be paid. An individual who newly becomes an Eligible Employee (and who was not previously an Eligible Employee during prior Plan Years and was not eligible to participate in any plan of the Company that would be aggregated with the Plan under Reg. 1.409A-1 (c)), will have 30 days from the date the individual becomes an Eligible Employee to make an election with respect to compensation earned for payroll cycles that begin after the election is received (if this 30-day period ends later than the deadline under the preceding sentence).

(b) Deferrals of Bonus Compensation and Equity Compensation. Bonus Compensation and Equity Compensation shall be subject to the deferral rules set forth in the following three paragraphs:

(1) Regular Bonus Compensation and Equity Compensation. Subject to Paragraphs (2) and (3) below and the next sentence, an Eligible Employee must make a deferral election with respect to his or her Bonus Compensation and/or Equity Compensation no later than the close of the Plan Year preceding the Plan Year in which the services are performed for which the Bonus Compensation and/or Equity Compensation is paid.

(2) Performance-Based Compensation. To the extent permitted by Reg. 1.409A-2(a)(8), if an Eligible Employee's Bonus Compensation and/or Equity Compensation for a particular Plan Year will qualify as Performance-Based Compensation, the Eligible Employee may make a deferral election for

such Bonus Compensation and/or Equity Compensation no later than six months prior to the end of the performance period to which such Bonus Compensation and/or Equity Compensation relates.

(3) Newly Eligible Participants. An individual who newly becomes an Eligible Employee during a Plan Year (and who was not previously an Eligible Employee during prior Plan Years and was not eligible to participate in any plan of the Company that would be aggregated with the Plan under Reg. 1.409A-1(c)), may make a deferral election with respect to his or her Bonus Compensation and/or Equity Compensation that is payable for services performed in such Plan Year following the date on which the election is received so long as the deferral election: (i) is made within 30 days of the date the individual becomes an Eligible Employee (or, with respect to Performance-Based Compensation, such longer period as is permitted by Section 409A), and (ii) is limited to the maximum portion of such Plan Year's Bonus Compensation and/or Equity Compensation as may deferred under Section 409A.

(c) Deferrals of Periodic Incentive Compensation. Periodic Incentive Compensation shall be subject to the deferral rules set forth in the following three paragraphs:

(1) Regular Periodic Incentive Compensation. Subject to Paragraphs (2) and (3) below and the next sentence, an Eligible Employee must make a deferral election for a Plan Year with respect to Periodic Incentive Compensation by November 30th of the year prior to the beginning of the Plan Year in which the Periodic Incentive Compensation would otherwise be paid.

(2) Performance-Based Compensation. To the extent permitted by Reg. 1.409A-2(a)(8), if an Eligible Employee's Periodic Incentive Compensation for a particular Plan Year will qualify as Performance-Based Compensation, the Eligible Employee may make a deferral election for such Periodic Incentive Compensation no later than six months prior to the end of the performance period to which such Periodic Incentive Compensation relates.

(3) Newly Eligible Participants. An individual who newly becomes an Eligible Employee during a Plan Year (and who was not previously an Eligible Employee during prior Plan Years and was not eligible to participate in any plan of the Company that would be aggregated with the Plan under Reg. 1.409A-1(c)), may make a deferral election with respect to his or her Periodic Incentive Compensation that is payable for services performed in such Plan Year following the date on which the election is received so long as the deferral election: (i) is made within 30 days of the date the individual becomes

an Eligible Employee (or, with respect to Performance-Based Compensation, such longer period as is permitted by Section 409A), and (ii) is limited to the maximum portion of such Plan Year's Periodic Incentive Compensation as may deferred under Section 409A.

(d) General Provisions. A separate deferral election must be made by an Eligible Employee for each category of compensation that is eligible for deferral. If an Eligible Employee fails to file a properly completed and executed Election Form with the Plan Administrator's delegate by the prescribed time, he or she will be deemed to have elected not to defer any Base Compensation, Periodic Incentive Compensation, Bonus Compensation or Equity Compensation, as the case may be, for the applicable Plan Year. An election is irrevocable once received and determined by the delegate of the Plan Administrator to be properly completed. Increases or decreases in the amount or percentage a Participant elects to defer shall not be permitted once an election has become irrevocable. Notwithstanding the preceding provisions of this Section, to the extent necessary because of circumstances beyond the control of the Eligible Employee and in the interests of orderly Plan administration (or to avoid undue hardship to an Eligible Employee), the Plan Administrator may grant an extension of any election period or may permit the complete revocation of an election, but such extension or revocation shall not permit an election or revocation to be made after the latest time permissible for initial elections under Section 409A.

(e) Beneficiaries. To be considered complete, the first Election Form filed by a Participant shall designate the Beneficiary to receive payment, in the event of his or her death, of the amounts credited to his or her applicable Deferral Subaccounts. Any Beneficiary designation made on a subsequent Election Form or through a separate Beneficiary designation shall apply on an aggregate basis to all of a Participant's Deferral Subaccounts. However, a Participant's Beneficiary designation shall only be effective if it is signed by the Participant and filed with the Plan Administrator's delegate prior to the Participant's death, and if it meets such other standards as the Plan Administrator's delegate shall require from time to time. A Beneficiary is paid in accordance with the terms of a Participant's Election Form, as interpreted by the Plan Administrator's delegate in accordance with the terms of this Plan.

4.03 Initial Period of Deferral.

An Eligible Employee making a deferral election shall specify a deferral period on his or her Election Form by designating a specific payout date, a specific Permissible Event for payout, or both a specific payout date and a Permissible Event. Any Eligible Employee who specifies Retirement as his or her Permissible Event must also designate a payout date. If an Eligible Employee has designated both a specific payout date and a Permissible Event, the Eligible Employee's deferral period shall terminate on the earlier of the specific payout date and the Permissible Event. Any Eligible Employee who

designates a payout date shall be deemed to have elected a payout date that would occur not earlier than:

(a) For Base Compensation, at least until January 1 of the third Plan Year following the Plan Year during which the Base Compensation would have been paid absent the deferral;

(b) For Periodic Incentive Compensation, at least until January 1 of the third Plan Year following the Plan Year during which the Periodic Incentive Compensation would have been paid absent the deferral;

(c) For Bonus Compensation, at least 2 years after the date the Bonus Compensation would have been paid absent the deferral; and

(d) For Equity Compensation, at least 2 years after the date the equity awards would have no longer been subject to forfeiture absent the deferral.

In addition, notwithstanding an Eligible Employee's actual election, if a Participant has elected a specific payout date that would be after his or her 80th birthday, the Participant shall be deemed to have elected his or her 80th birthday as his or her specific payout date.

4.04 Initial Form of Payment.

An Eligible Employee making a deferral election may specify a form of payment on his or her Election Form by designating either a lump sum payment or installment payments for 5, 10, 15 or 20 years. If an Eligible Employee elects installment payments, the Eligible Employee shall also specify whether installments should be paid quarterly, semi-annually or annually. However, installment payments shall only be made for a period beyond 5 years (regardless of the Eligible Employee's election) if the Eligible Employee continues in employment with an Employer through his or her eligibility for Retirement (and in all other cases an election of installments for more than 5 years shall be deemed to be an election of installments for 5 years). If an Eligible Employee fails to make a form of payment election on the Election Form, his or her form of payment shall be a lump sum payment.

4.05 Subsequent Revisions to Deferral Period or Form of Payment.

A Participant may make an election to revise the deferral period or form of payment (or both) that applies to a Deferral Subaccount in accordance with this section. An election made under this section must be made at least 12 months prior to the date of the first scheduled payment and the election shall not be effective for 12 months after it is made. This requirement shall be applied in accordance with Section 409A to bar, as necessary, an election under this section from being effective if it occurs too soon before the time a

distribution would be made in connection with a Permissible Event designated by the Participant. In addition, if a Participant has specified a date as the end of his or her deferral period, an election under this section shall not be effective unless it is made at least 12 months prior to the date the first scheduled payment would be made in connection with such specified date. If an election is made under this section, the first payment pursuant to such election must be deferred at least 5 years from the date such payment would otherwise have been made. However, an election under this section may not provide for payments beyond a Participant's 80th birthday, and if this requirement conflicts with the minimum 5 years of additional deferral required under the preceding sentence, then no election under this section shall be permitted. So long as a Participant qualifies under this section to change his or her period of deferral and/or form of payment, there is no limit on the number of elections that may be made under this section. Any form of payment elected under this section must be authorized and available to the Participant under the terms of Section 4.04. This section shall not apply to a Beneficiary. In the case of a Participant who is an officer within the meaning of Section 16 of the Securities Exchange Act of 1934, an election under this section shall not be effective unless approved by the Plan Administrator.

ARTICLE V – INTERESTS OF PARTICIPANTS

5.01 Accounting for Participants' Interests.

(a) Deferral Subaccounts. Each Participant shall have at least one separate Deferral Subaccount for each separate deferral of Base Compensation, Periodic Incentive Compensation, Bonus Compensation, and Equity Compensation made by the Participant under this Plan. However, the Plan Administrator's delegate may also combine Deferral Subaccounts to the extent it deems separate accounts are not needed for sound recordkeeping. A Participant's deferral shall be credited to his or her Account as soon as practicable following the date when the compensation would have been paid to the Participant in the absence of its deferral. A Participant's Account is a bookkeeping device to track the value of his or her deferrals (and his or her Employer's liability therefor). No assets shall be reserved or segregated in connection with any Account, and no Account shall be insured or otherwise secured.

(b) Account Earnings or Losses. As of each Valuation Date, a Participant's Account shall be credited with earnings and gains (and shall be debited for expenses and losses) determined as if the amounts credited to his or her Account had actually been invested as directed by the Participant in accordance with this Article. The Plan provides only for "phantom investments," and therefore such earnings, gains, expenses and losses are hypothetical and not actual. However, they shall be applied to measure the value of a Participant's Account and the amount of his or her Employer's liability to make deferred payments to or on behalf of the Participant. Notwithstanding anything to the contrary in this Article V, Equity Compensation shall

be deferred in the form of Restricted Stock Units which shall track the value of an equivalent number of shares of Common Stock.

5.02 Phantom Investment Options.

The phantom investment options that are available under this Plan shall be those Janus mutual funds that are offered to participants under the Company's 401(k) plan. Participant Accounts invested in these phantom investment options are adjusted to reflect an investment in the corresponding investment options under the Company's 401(k) plan. An amount deferred or transferred into one of these options is converted to phantom units in the applicable Company 401(k) fund of equivalent value by dividing such amount by the value of a unit in such fund on the date as of which the amount is treated as invested in this option by the Plan Administrator. Thereafter, a Participant's interest in each such phantom option is valued as of a Valuation Date by multiplying the number of phantom units credited to his or her Account on such date by the value of a unit in the applicable Company 401(k) fund on such date. The Plan Administrator may discontinue any phantom investment option with respect to some or all Accounts, and it may provide rules for transferring a Participant's phantom investment from the discontinued option to a specified replacement option (unless the Participant selects another replacement option in accordance with such requirements as the Plan Administrator may apply). In the absence of a specific direction by the Plan Administrator, the discontinuance and replacement of phantom investment options under this Plan shall mirror what occurs in this regard under the Company's 401(k) plan.

5.03 Phantom Investment Option Directions and Reallocations.

(a) In connection with an Eligible Employee's first deferral Election Form submitted under the Plan, the Eligible Employee shall specify in one (1) percent increments how his or her deferrals are to be invested in one or more of the phantom investment options offered under Section 5.02. Thereafter, the Eligible Employee – (i) may specify a different investment direction that shall apply to his or her future deferrals, and (ii) may reallocate the investment of his or her existing Account by specifying, in one (1) percent increments, how such amounts are to be invested among the phantom investment options then offered under the Plan. The Plan Administrator may provide that such initial allocations or reallocations are to be made in a different increment specified by the Plan Administrator. A new investment direction for future deferrals shall be made on the Election Form that relates to such deferrals. A reallocation of a Participant's existing Account shall be made using an investment change procedure that is provided by the Plan Administrator's delegate for this purpose. This procedure may include the use of written or electronic forms, as well as the use of a voice-response system, as determined by the Plan Administrator's delegate. A reallocation election is considered effective within five (5) business days after the date the investment reallocation is received by the Plan Administrator's delegate.

(b) Any investment reallocation of a Participant's existing Account that is permitted by subsection (a) shall be effective as of the next Valuation Date that occurs at least date 30 days after the date the investment reallocation is received by the Plan Administrator's delegate. If more than one reallocation is received on a timely basis, the reallocation that the Plan Administrator's delegate determines to be the most recent shall be followed.

(c) If the Plan Administrator's delegate possesses at any time investment directions as to the phantom investment of less than all of a Participant's Account, the Participant shall be deemed to have directed that the undesignated portion of the Account be invested in a money market phantom investment option offered under the Plan (or if no money market investment option is offered, the investment option that most nearly resembles a money market investment option).

5.04 Vesting of a Participant's Account.

Other than in respect of Restricted Stock Units, which shall vest in accordance with the same schedule as a Participant's Equity Compensation would have vested absent the deferral, a Participant's interest in the value of his or her Account shall at all times be 100 percent vested, which means that it will not forfeit as a result of his or her Separation from Service. However, a Participant's right to be paid by the Participant's Employer remains subject to the claims of the general creditors of the Employer.

ARTICLE VI – DISTRIBUTIONS

6.01 General.

A Participant's Account shall be distributed as provided in this Article. In no event shall any portion of a Participant's Account be distributed earlier than is allowed under Section 409A.

6.02 Distribution Pursuant to Deferral Election.

(a) Scheduled Payout Date. Subject to subsection (b), with respect to a specific deferral, such deferral shall be paid (in accordance with the provisions of Section 6.05) to the Participant as soon as practicable after the occurrence of the Participant's "Scheduled Payout Date" (but in no event later than the later of December 31st of the year that includes the Scheduled Payout Date and 2 ½ months following the Scheduled Payment Date). A Participant's "Scheduled Payout Date" shall be the earlier of:

(1) The first Distribution Date that follows the date selected by the Participant for such deferral in accordance with Sections 4.03 and 4.05, or

(2) The first Distribution Date that follows the earliest to occur Permissible Event that has been selected and is in effect for such deferral in accordance with Sections 4.03 and 4.05.

(b) Special Rule for Separation from Service Events. If the Participant's Scheduled Payout Date is the result of the Participant's Separation from Service and such Participant is a Key Employee as of December 31st of the year prior to the year in which the Separation from Service occurs, then no distribution may be made before the date which is 6 months after the date of the Separation from Service (or, if earlier, the date of death of the Participant).

(c) Special Rule for Section 16 Officers. This subsection shall apply if a distribution would occur in accordance with the preceding provisions of this section at a time when the Participant is an officer who is subject to the restrictions of Section 16 of the Securities Exchange Act of 1934, and if the distribution will result in a disposition of phantom Company stock by the Participant. In this event, then to the extent permitted by Section 409A, the actual distribution to the Participant shall be delayed to the extent necessary, if any, in order to allow time for the Plan Administrator to approve the distribution in accordance with Rule 16b-3(e).

6.03 Distributions on Account of Death.

Upon a Participant's death, his or her Beneficiary shall be paid each Deferral Subaccount still standing to the Participant's credit under the Plan as soon as practicable after the first Distribution Date to occur after the Plan Administrator's delegate receives notification of the Participant's death. Any claim to be paid any amounts standing to the credit of a Participant in connection with the Participant's death must be received by the Plan Administrator at least 14 days before any such amount is paid out by the Plan Administrator. Any claim received thereafter is untimely, and it shall not lie against the Plan, the Company, any Employer, the Plan Administrator, the Plan Administrator's delegate or any other party acting for one or more of them.

6.04 Acceleration of Payments.

Pursuant to the rules and provisions of this Section 6.04, payment of one or more specific deferrals may be made earlier than specified in Section 6.02.

(a) Disability Payments. If the Plan Administrator determines that a Participant is suffering from a Disability, the Participant's Account shall be distributed in a lump sum as soon as practicable after the first Distribution Date following such determination.

(b) Change in Ownership Payments. Each Participant's Account shall be distributed in a lump sum payment as soon as practicable following the occurrence of a Change in Ownership.

(c) Unforeseeable Emergency. If a Participant believes an Unforeseeable Emergency has occurred, the Participant or Beneficiary may file a written request with the Plan Administrator for accelerated payment of all or a portion of the amount credited to his or her Account. After a Participant has filed a written request pursuant to this subsection, along with all supporting material, the Plan Administrator's delegate shall determine within 60 days (or such other number of days if special circumstances warrant additional time) whether the Participant meets the criteria for an Unforeseeable Emergency. If the Plan Administrator's delegate determines that an Unforeseeable Emergency has occurred, the Participant or Beneficiary shall receive a distribution from his or her Account as soon as administratively practicable. However, such distribution shall not exceed the dollar amount necessary to satisfy the Unforeseeable Emergency plus amounts necessary to pay taxes reasonably anticipated as a result of the distribution, after taking into account the extent to which the Unforeseeable Emergency is or may be relieved through reimbursement or compensation by insurance or otherwise or by liquidation of the Participant's assets (to the extent the liquidation of such assets would not itself cause severe financial hardship).

(d) Cashouts of Small Amounts. Subject to the remaining sentences of this subsection and subsections (b) and (c) of Section 6.02, if (1) a Participant has a Separation from Service (but not including a Retirement), and (2) the total value of all of the Participant's Deferral Subaccounts, as of the first Distribution Date next following the Separation from Service, is less than the applicable dollar amount under Section 402(g)(1)(B) of the Code, all of the Participant's Deferral Subaccounts shall be distributed to the Participant as a single lump sum as soon as practicable after the first Distribution Date that follows the Participant's Separation from Service. To the extent required under Section 409A, a Deferral Subaccount shall not be distributed under this subsection before the end of the minimum period of additional deferral that is applicable to the Deferral Subaccount under Section 4.05. If the preceding sentence delays payout of a distribution, payout shall be made as soon as practicable after the minimum period of deferral.

6.05 Form of Payments.

Unless otherwise provided in this Article VI, payments made under Section 6.02 shall be made pursuant to the form of payment elected by the Participant under Section 4.04 or 4.05. Other than with respect to Restricted Stock Units which may be settled in shares of Common Stock or cash or a combination of both in the discretion of the Plan Administrator, payments under Sections 6.02, 6.03 and 6.04 shall be made in cash, unless the Plan Administrator makes an advance determination, in its discretion, to settle deferrals in

units of the mutual funds in which the Participant was invested on a phantom basis at the time such distribution is processed. No in-kind distributions shall be made with respect to deferrals of Base Compensation, Periodic Incentive Compensation or Bonus Compensation that are invested in a phantom Company stock fund.

6.06 Valuation.

In determining the amount of any individual distribution pursuant to this Article, the Participant's Deferral Subaccount shall continue to be credited with earnings and gains (and debited for expenses and losses) as specified in Section 5.01 until the Valuation Date preceding the distribution. In determining the value of a Participant's remaining Deferral Subaccount following an installment distribution, such installment distribution (determined without application of the last sentence of this section) shall reduce the value of the Participant's Deferral Subaccount as of the close of the Valuation Date preceding the payment date for such installment. The amount to be distributed in connection with any installment payment shall be determined by dividing the value of a Participant's Deferral Subaccount as of such preceding Valuation Date by the remaining number of installments to be paid with respect to such Deferral Subaccount.

ARTICLE VII – PLAN ADMINISTRATION

7.01 Plan Administrator.

The Plan Administrator is responsible for the administration of the Plan. The Plan Administrator has the authority to name one or more delegates to carry out certain responsibilities hereunder. Any such delegation shall state the scope of responsibilities being delegated.

7.02 Action.

Action by the Plan Administrator may be taken in accordance with procedures that the Plan Administrator adopts from time to time or that the Company's Law Department determines are legally permissible.

7.03 Powers of the Plan Administrator.

The Plan Administrator shall administer and manage the Plan and shall have (and shall be permitted to delegate) all powers necessary to accomplish that purpose, including (but not limited to) the following:

(a) To exercise its discretionary authority to construe, interpret, and administer this Plan;

(b) To exercise its discretionary authority to make all decisions regarding eligibility, participation and deferrals, to make allocations and determinations required by this Plan, and to maintain records regarding Participants' Accounts;

(c) To compute and certify to the Employer the amount and kinds of payments to Participants or their Beneficiaries, and to determine the time and manner in which such payments are to be paid;

(d) To authorize all disbursements by the Employer pursuant to this Plan;

(e) To maintain (or cause to be maintained) all the necessary records for administration of this Plan;

(f) To make and publish such rules for the regulation of this Plan as are not inconsistent with the terms hereof;

(g) To authorize its delegates to delegate to other individuals or entities from time to time the performance of any of its delegates' duties or responsibilities hereunder;

(h) To establish or to change the phantom investment options or arrangements under Article V;

(i) To hire agents, accountants, actuaries, consultants and legal counsel to assist in operating and administering the Plan; and

(j) Notwithstanding any other provision of this Plan, the Plan Administrator may take any action it deems appropriate in furtherance of any policy of the Company respecting insider trading as may be in effect from time to time. Such actions may include, but are not limited to, altering the effective date of allocations or distributions of Accounts or Deferral Subaccounts.

The Plan Administrator has the exclusive and discretionary authority to construe and to interpret the Plan, to decide all questions of eligibility for benefits, to determine the amount and manner of payment of such benefits and to make any determinations that are contemplated by (or permissible under) the terms of this Plan, and its decisions on such matters will be final and conclusive on all parties. Any such decision or determination shall be made in the absolute and unrestricted discretion of the Plan Administrator, even if (1) such discretion is not expressly granted by the Plan provisions in question, or (2) a determination is not expressly called for by the Plan provisions in question, and even though other Plan provisions expressly grant discretion or call for a determination. As a result, benefits under this Plan will be paid only if the Plan Administrator decides in its discretion that the applicant is entitled to them. In the event of a review by a court, arbitrator

or any other tribunal, any exercise of the Plan Administrator's discretionary authority shall not be disturbed unless it is clearly shown to be arbitrary and capricious.

7.04 Compensation, Indemnity and Liability.

The Plan Administrator will serve without bond and without compensation for services hereunder. All expenses of the Plan and the Plan Administrator will be paid by the Employer. To the extent deemed appropriate by the Plan Administrator, any such expense may be charged against specific Participant Accounts, thereby reducing the obligation of the Employer. No member of the Committee, and no individual acting as the delegate of the Committee, shall be liable for any act or omission of any other member or individual, nor for any act or omission on his or her own part, excepting his or her own willful Misconduct. The Employer will indemnify and hold harmless each member of the Committee and any employee of the Company (or an affiliate, if recognized as an affiliate for this purpose by the Plan Administrator) acting as the delegate of the Committee against any and all expenses and liabilities, including reasonable legal fees and expenses, arising out of his or her membership on the Committee (or his or her serving as the delegate of the Committee), excepting only expenses and liabilities arising out of his or her own willful Misconduct.

7.05 Taxes.

If the whole or any part of any Participant's Account becomes liable for the payment of any estate, inheritance, income, employment, or other tax which the Employer may be required to pay or withhold, the Employer will have the full power and authority to withhold and pay such tax out of any moneys or other property in its hand for the account of the Participant. To the extent practicable, the Employer will provide the Participant notice of such withholding. Prior to making any payment, the Employer may require such releases or other documents from any lawful taxing authority as it shall deem necessary.

7.06 Conformance with Section 409A.

At all times during each Plan Year, this Plan shall be operated in accordance with the requirements of Section 409A. Any action that may be taken (and, to the extent possible, any action actually taken) by the Plan Administrator or the Company shall not be taken (or shall be void and without effect), if such action violates the requirements of Section 409A. Any provision in this Plan document that is determined to violate the requirements of Section 409A shall be void and without effect. In addition, any provision that is required to appear in this Plan document that is not expressly set forth shall be deemed to be set forth herein, and the Plan shall be administered in all respects as if such provision were expressly set forth.

ARTICLE VIII – CLAIMS PROCEDURES

8.01 Claims for Benefits.

If a Participant, Beneficiary or other person (hereafter, "Claimant") does not receive timely payment of any benefits which he or she believes are due and payable under the Plan, he or she may make a claim for benefits to the Plan Administrator. The claim for benefits must be in writing and addressed to the Plan Administrator. If the claim for benefits is denied, the Plan Administrator will notify the Claimant within 90 days after the Plan Administrator initially received the benefit claim. However, if special circumstances require an extension of time for processing the claim, the Plan Administrator will furnish notice of the extension to the Claimant prior to the termination of the initial 90-day period and such extension may not exceed one additional, consecutive 90-day period. Any notice of a denial of benefits should advise the Claimant of the basis for the denial, any additional material or information necessary for the Claimant to perfect his or her claim, and the steps which the Claimant must take to appeal his or her claim for benefits.

8.02 Appeals of Denied Claims.

Each Claimant whose claim for benefits has been denied may file a written appeal for a review of his or her claim by the Plan Administrator. The request for review must be filed by the Claimant within 60 days after he or she received the notice denying his or her claim. The decision of the Plan Administrator will be communicated to the Claimant within 60 days after receipt of a request for appeal. The notice shall set forth the basis for the Plan Administrator's decision. If there are special circumstances which require an extension of time for completing the review, the Plan Administrator's decision may be rendered not later than 120 days after receipt of a request for appeal.

8.03 Special Claims Procedures for Disability Determinations.

If the claim or appeal of the Claimant relates to Disability benefits, such claim or appeal shall be processed pursuant to the applicable provisions of Department of Labor Regulation section 2560.503-1 relating to Disability benefits, including sections 2560.503-1(d), 2560.503-1(f)(3), 2560.503-1(h)(4) and 2560.503-1(i)(3).

ARTICLE IX – AMENDMENT AND TERMINATION

9.01 Amendments.

The applicable Committee of the Board of Directors of the Company has the right in its sole discretion to amend this Plan in whole or in part at any time and in any manner, including the manner of making deferral elections, the terms on which distributions

are made, and the form and timing of distributions, provided that such amendments do not cause the Plan to fail to comply with Section 409A. However, except for mere clarifying amendments necessary to avoid an inappropriate windfall, no Plan amendment shall reduce the amount credited to the Account of any Participant as of the date such amendment is adopted. Any amendment shall be in writing and adopted by the Committee. All Participants and Beneficiaries shall be bound by such amendment.

9.02 Termination of Plan.

The Company expects to continue this Plan, but does not obligate itself to do so. The Company, acting by the Committee specified in Section 9.01 or through its Board of Directors, reserves the right to discontinue and terminate the Plan at any time, in whole or in part, for any reason (including a change, or an impending change, in the tax laws of the United States or any State), provided that such termination is done in compliance with Section 409A. Termination of the Plan will be binding on all Participants and their Beneficiaries, but in no event may such termination reduce the amounts credited at that time to any Participant's Account. If this Plan is terminated (in whole or in part), the termination resolution shall provide for how amounts theretofore credited to affected Participants' Accounts will be distributed.

ARTICLE X – MISCELLANEOUS

10.01 Limitation on Participant's Rights.

Participation in this Plan does not give any Participant the right to be retained in the Employer's or Company's employ (or any right or interest in this Plan or any assets of the Company or Employer other than as herein provided). The Company and Employer reserve the right to terminate the employment of any Participant without any liability for any claim against the Company or Employer under this Plan, except for a claim for payment of deferrals as provided herein.

10.02 Unfunded Obligation of Individual Employer.

The benefits provided by this Plan are unfunded. All amounts payable under this Plan to Participants are paid from the general assets of the Participant's individual Employer. Nothing contained in this Plan requires the Company or Employer to set aside or hold in trust any amounts or assets for the purpose of paying benefits to Participants. Neither a Participant, Beneficiary, nor any other person shall have any property interest, legal or equitable, in any specific Employer asset. This Plan creates only a contractual obligation on the part of a Participant's individual Employer, and the Participant has the status of a general unsecured creditor of this Employer with respect to amounts of compensation deferred hereunder. Such a Participant shall not have any preference or priority over, the rights of any other unsecured general creditor of the Employer. No other Employer guarantees or shares such obligation, and no other Employer shall have any liability to the Participant or his or her

Beneficiary. In the event, a Participant transfers from the employment of one Employer to another, the former Employer shall transfer the liability for deferrals made while the Participant was employed by that Employer to the new Employer (and the books of both Employers shall be adjusted appropriately).

10.03 Other Plans.

This Plan shall not affect the right of any Eligible Employee or Participant to participate in and receive benefits under and in accordance with the provisions of any other employee benefit plans which are now or hereafter maintained by any Employer, unless the terms of such other employee benefit plan or plans specifically provide otherwise or it would cause such other plan to violate a requirement for tax favored treatment.

10.04 Receipt or Release.

Any payment to a Participant in accordance with the provisions of this Plan shall, to the extent thereof, be in full satisfaction of all claims against the Plan Administrator, the Employer and the Company, and the Plan Administrator may require such Participant, as a condition precedent to such payment, to execute a receipt and release to such effect (provided that, to the extent the Employer, the Company, or the Plan Administrator require a Participant to execute a release, the release requirement shall be structured in a manner that complies with Section 409A).

10.05 Governing Law.

This Plan shall be construed, administered, and governed in all respects in accordance with applicable federal law and, to the extent not preempted by federal law, in accordance with the laws of the State of Delaware (other than its laws relating to choice of law). If any provisions of this instrument shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions hereof shall continue to be fully effective.

10.06 Adoption of Plan by Related Employers.

The Plan Administrator may select as an Employer any division of the Company, as well as any corporation related to the Company by stock ownership, and permit or cause such division or corporation to adopt the Plan. The selection by the Plan Administrator shall govern the effective date of the adoption of the Plan by such related Employer. The requirements for Plan adoption are entirely within the discretion of the Plan Administrator and, in any case where the status of an entity as an Employer is at issue, the determination of the Plan Administrator shall be absolutely conclusive.

10.07 Gender, Tense and Examples.

In this Plan, whenever the context so indicates, the singular or plural number and the masculine, feminine, or neuter gender shall be deemed to include the other. Whenever an example is provided or the text uses the term "including" followed by a specific item or items, or there is a passage having a similar effect, such passage of the Plan shall be construed as if the phrase "without limitation" followed such example or term (or otherwise applied to such passage in a manner that avoids limitation on its breadth of application).

10.08 Successors and Assigns; Nonalienation of Benefits.

This Plan inures to the benefit of and is binding upon the parties hereto and their successors, heirs and assigns; provided, however, that the amounts credited to the Account of a Participant are not subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution or levy of any kind, either voluntary or involuntary, and any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, charge or otherwise dispose of any right to any benefits payable hereunder, including, any assignment or alienation in connection with a separation, divorce, child support or similar arrangement, will be null and void and not binding on the Plan or the Company or Employer. Notwithstanding the foregoing, the Plan Administrator reserves the right to make payments in accordance with a divorce decree, judgment or other court order as and when cash payments are made in accordance with the terms of this Plan from the Deferral Subaccount of a Participant. Any such payment shall be charged against and reduce the Participant's Account.

10.09 Facility of Payment.

Whenever, in the Plan Administrator's opinion, a Participant or Beneficiary entitled to receive any payment hereunder is under a legal disability or is incapacitated in any way so as to be unable to manage his or her financial affairs, the Plan Administrator may direct the Employer to make payments to such person or to the legal representative of such person for his or her benefit, or to apply the payment for the benefit of such person in such manner as the Plan Administrator considers advisable. Any payment in accordance with the provisions of this Section shall be a complete discharge of any liability for the making of such payment to the Participant or Beneficiary under the Plan.

Exhibit 10.2

JANUS CAPITAL GROUP INC.

2004 Employment Inducement Award Plan

(Amended and Restated as of January 22, 2008)

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Janus Capital Group Inc.
2004 Employment Inducement Award Plan

(AS ADOPTED EFFECTIVE AS OF APRIL 26, 2004 AND SUBSEQUENTLY AMENDED AND RESTATED ON January 22, 2008)

Article 1. History, Effective Date, Objectives and Duration

1.1 History. Janus Capital Group Inc., a Delaware corporation (the "Company"), has established the Janus Capital Group Inc. 2004 Employment Inducement Award Plan, as set forth herein, and as the same may be amended from time to time (the "Plan"). The Plan was adopted by the Compensation Committee of the Board of Directors of the Company on May 12, 2004, and was ratified by the Board of Directors of the Company (the "Board") on May 13, 2004, to be effective on April 26, 2004 (the "Effective Date"). The first grant made in accordance with the terms of this Plan is the grant made to the Company's incoming Chief Investment Officer on April 26, 2004.

1.2 Objectives of the Plan. The Plan is intended to assist the Company and its Subsidiaries in attracting new employees, and to allow new employees of the Company and its Subsidiaries to acquire equity ownership in the Company, thereby strengthening their commitment to the success of the Company and stimulating their efforts on behalf of the Company. The Plan also is intended to optimize the profitability and growth of the Company through incentives which are consistent with the Company's goals; to provide new employees with an incentive for excellence in individual performance; and to promote teamwork among employees. To achieve these objectives, the Plan is intended to provide only Awards that constitute Employment Inducement Awards.

1.3 Duration of the Plan. The Plan shall commence on the Effective Date and shall remain in effect, subject to the right of the Board or the Plan Committee to amend or terminate the Plan at any time pursuant to Article 15 hereof, until all Shares subject to it shall have been purchased or acquired according to the Plan's provisions.

Article 2. Definitions

Whenever used in the Plan, the following terms shall have the meanings set forth below:

2.1 "Article" means an Article of the Plan.

2.2 "Award" means Options, Restricted Shares (awarded as Shares or Share Units), Bonus Shares (awarded as Shares or Share Units), stock appreciation rights (SARs), Performance Units, Performance Shares or Dividend Equivalents granted under the Plan.

2.3 "Award Agreement" means the written agreement by which an Award shall be evidenced.

2.4 "Board" has the meaning set forth in Section 1.1.

2.5 "Bonus Shares" means Shares or Share Units that are awarded to a Grantee without cost and without restrictions as an incentive to become an employee of the Company or a Subsidiary.

2.6 "Cause" means, unless otherwise defined in an Award Agreement or any other agreement between the Grantee and the Company or a Subsidiary,

(a) before the occurrence of a Change of Control, any one or more of the following, as determined by the Committee:

(1) a Grantee's commission of a crime which, in the judgment of the Committee, resulted or is likely to result in damage or injury to the Company or a Subsidiary;

(2) the material violation by the Grantee of written policies of the Company or a Subsidiary;

(3) the habitual neglect or failure by the Grantee in the performance of his or her duties to the Company or a Subsidiary (but only if such neglect or failure is not remedied within a reasonable remedial period after Grantee's receipt of written notice from the Company which describes such neglect or failure in reasonable detail and specifies the remedial period); or

(4) action or inaction by the Grantee in connection with his or her duties to the Company or a Subsidiary resulting, in the judgment of the Committee, in material injury to the Company or a Subsidiary; and

(b) from and after the occurrence of a Change of Control, the occurrence of any one or more of the following, as determined in the good faith and reasonable judgment of the Committee:

(1) Grantee's conviction for committing an act of fraud, embezzlement, theft, or any other act constituting a felony involving moral turpitude or causing material damage or injury, financial or otherwise, to the Company;

(2) a demonstrably willful and deliberate act or failure to act which is committed in bad faith, without reasonable belief that such action or inaction is in the best interests of the Company, which causes material damage or injury, financial or otherwise, to the Company (but only if such act or inaction is not remedied within 15 business days of Grantee's receipt of written notice from the Company which describes the act or inaction in reasonable detail); or

(3) the consistent gross neglect of duties or consistent wanton negligence by the Grantee in the performance of the Grantee's duties (but only if such neglect or negligence is not remedied within a reasonable remedial period after Grantee's receipt of written notice from the Company which describes such neglect or negligence in reasonable detail and specifies the remedial period).

2.7 "Change of Control" means, unless otherwise defined in an Award Agreement, any one or more of the following:

(a) the acquisition or holding by any person, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the 1934 Act), other than by the Company or any Subsidiary or any employee benefit plan of the Company or a Subsidiary (and other than by KCSI prior to the Spin-off Distribution), of beneficial ownership (within the meaning of Rule 13d-3 under the 1934 Act) of 20% or more of the then-outstanding Common Stock or the then-outstanding Voting Power of the Company; *provided, however*, that no Change of Control shall occur solely by reason of any such acquisition by a corporation with respect to which, after such acquisition, more than 60% of both the then-outstanding common shares and the then-outstanding Voting Power of such corporation are then beneficially owned, directly or indirectly, by the persons who were the beneficial owners of the then-outstanding Common Stock and Voting Power of the Company immediately before such acquisition, in substantially the same proportions as their respective ownership, immediately before such acquisition, of the then-outstanding Common Stock and Voting Power of the Company; or

(b) individuals who, as of the date of the Spin-off Distribution, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least 75% of the Board; *provided* that any individual who becomes a director after the Effective Date whose election or nomination for election by the Company's stockholders was approved by at least 75% of the Incumbent Board (other than an election or nomination of an individual whose initial assumption of office is in connection with an actual or threatened "election contest" relating to the election of the directors of the Company (as such terms are used in Rule 14a-11 under the 1934 Act) or "tender offer" (as such term is used in Section 14(d) of the 1934 Act) or a proposed Extraordinary Transaction (as defined below)) shall be deemed to be a member of the Incumbent Board; or

(c) approval by the stockholders of the Company of any one or more of the following:

(1) a merger, reorganization, consolidation or similar transaction (any of the foregoing, an "Extraordinary Transaction") with respect to which persons who were the respective beneficial owners of the then-outstanding Common Stock and Voting Power of the Company immediately before such Extraordinary Transaction would not, if such Extraordinary Transaction were to be consummated immediately after such stockholder approval (but otherwise in accordance with the terms presented in writing to the stockholders of the Company for their approval), beneficially own, directly or indirectly, more than 60% of both the then-outstanding common shares and the then-outstanding Voting Power of the

corporation resulting from such Extraordinary Transaction, in substantially the same proportions as their respective ownership, immediately before such Extraordinary Transaction, of the then-outstanding Common Stock and Voting Power of the Company,

(2) a liquidation or dissolution of the Company, or

(3) the sale or other disposition of all or substantially all of the assets of the Company in one transaction or a series of related transactions.

Notwithstanding the above, that for each Award subject to Section 409A of the Code, a Change of Control shall be deemed to have occurred under this Plan with respect to such Award only if a change in the ownership or effective control of the Company or a change in the ownership of a substantial portion of the assets of the Company shall also be deemed to have occurred under Section 409A of the Code.

2.8 "Change of Control Value" means the Fair Market Value of a Share on the date of a Change of Control.

2.9 "Code" means the Internal Revenue Code of 1986, as amended from time to time, and regulations and rulings thereunder. References to a particular section of the Code include references to successor provisions of the Code or any successor code

2.10 "Committee," "Plan Committee" and "Management Committee" have the meanings set forth in Article 3.

2.11 "Common Stock" means the common stock, $.01 par value, of the Company.

2.12 "Company" has the meaning set forth in Section 1.1.

2.13 "Covered Employee" means a Grantee who, as of the date that the value of an Award is recognizable as taxable income, is one of the group of "covered employees," within the meaning of Code section 162(m).

2.14 "Disability" means, unless otherwise defined in an Award Agreement, total disability as determined for purposes of the long term disability plan of the Company or any Subsidiary or other employer of the Grantee, and disability shall be deemed to occur for purposes of the Plan on the date such determination of disability is made.

2.15 [Reserved.]

2.16 "Dividend Equivalents" has the meaning set forth in Section 13.3.

2.17 "Effective Date" has the meaning set forth in Section 1.1.

2.18-A "Eligible Person" means any employee (including any officer) of the Company or any Subsidiary who is determined by the Committee to be eligible for an Employment Inducement Award, including any such employee who is on an approved leave of absence, layoff, or has been subject to a disability which does not qualify as a Disability.

2.18-B "Employment Inducement Award" means an Award to a Grantee that is determined by the Committee to qualify as an employment inducement award within the meaning of New York Stock Exchange Rule 303A.08 (or any successor rule relating to shareholder approval of equity compensation plans that includes an exemption for such awards and that is applicable to the Company).

2.19 "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time. References to a particular section of the Exchange Act include references to successor provisions.

2.20 "Extraordinary Transaction" has the meaning set forth in Section 2.7.

2.21 "Fair Market Value" means (A) with respect to any property other than Shares, the fair market value of such property determined by such methods or procedures as shall be established from time to time by the Committee, and (B) with respect to Shares, unless otherwise determined by the Committee, as of any date, (i) the average of the high and low trading prices on the date of determination on the New York Stock Exchange (or, if no sale of Shares was reported for such date, on the next preceding date on which a sale of Shares was reported); (ii) if the Shares are not listed on the New York Stock Exchange, the average of the high and low trading prices of the Shares on such other national exchange on which the Shares are principally traded or as reported by the National Market System, or similar organization, or if no such quotations are available, the average of the high bid and low asked quotations in the over-the-counter market as reported by the National Quotation Bureau Incorporated or similar organizations; or (iii) in the event that there shall be no public market for the Shares, the fair market value of the Shares as determined by the Committee.

2.22 "Freestanding SAR" means an SAR that is granted independently of any other Award.

2.23 "Good Reason" means, unless otherwise defined in an Award Agreement, the occurrence after a Change of Control, without a Grantee's prior written consent, of any one or more of the following unless the Company remedies such event within sixty (60) days after the Grantee provides a detailed notice to the Company of the acts or omissions resulting in the Grantee's belief that "Good Reason" exists (which such notice must be provided to the Company within 90 days of the event):

(a) the assignment to the Grantee of any duties which result in a material adverse change in the Grantee's position (including status, offices, titles, and reporting requirements), authority, duties, or other responsibilities with the Company, or any other action of the Company which results in a material adverse change in such position, authority, duties, or responsibilities, other than an insubstantial and inadvertent action which is remedied by the Company promptly after receipt of notice thereof given by the Grantee,

(b) any relocation of the Grantee of more than 40 miles from the place where the Grantee was located at the time of the Change of Control provided that such relocation results in a material negative change to the Grantee's employment, or

(c) a material reduction or elimination of any component of the Grantee's rate of compensation, including (x) base salary, (y) any incentive payment or (z) benefits or prerequisites which the Grantee was receiving immediately prior to a Change of Control.

2.24 "Grant Date" has the meaning set forth in Section 5.2.

2.25 "Grantee" means an individual who has been granted an Award.

2.26 [Reserved.]

2.27 "including" or "includes" means "including, without limitation," or "includes, without limitation," respectively.

2.28 "LTI Stock Plan" means the Janus Capital Group Inc. 1998 Long Term Incentive Stock Plan or the Janus Capital Group Inc. 2005 Long Term Incentive Stock Plan, as the same may be amended from time to time, and any successor thereto.

2.30 "Option" means an option granted under Article 6 of the Plan.

2.31 "Option Price" means the price at which a Share may be purchased by a Grantee pursuant to an Option.

2.32 "Option Term" means the period beginning on the Grant Date of an Option and ending on the expiration date of such Option, as specified in the Award Agreement for such Option and as may, consistent with the provisions of the Plan, be extended from time to time by the Committee prior to the expiration date of such Option then in effect.

2.33 "Outside Director" means a member of the Board who is not an employee of the Company or any Subsidiary and who meets the other requirements to be an outside director (as that term is defined for purposes of the regulations under Code section 162(m)).

2.34 "Performance-Based Exception" means the performance-based exception from the tax deductibility limitations of Code section 162(m).

2.35 "Performance Period" has the meaning set forth in Section 9.2.

2.36 "Performance Share" or "Performance Unit" has the meaning set forth in Article 9.

2.37 "Period of Restriction" means the period during which the transfer of Restricted Shares is limited in some way (the length of the period being based on the passage of time, the achievement of performance goals, or upon the occurrence of other events as determined by the Committee), and the Shares are subject to a substantial risk of forfeiture, as provided in Article 8.

2.38 "Person" shall have the meaning ascribed to such term in Section 3(a)(9) of the Exchange Act and used in Sections 13(d) and 14(d) thereof, including a "group" as defined in Section 13(d) thereof.

2.39 "Plan" has the meaning set forth in Section 1.1.

2.40 "Required Withholding" has the meaning set forth in Article 16.

2.41 "Restricted Shares" means Shares or Share Units that are subject to forfeiture if the Grantee does not satisfy the conditions specified in the Award Agreement applicable to such Shares or Share Units.

2.42 "Retirement" means, for any Grantee who is an employee of the Company or a Subsidiary (or is a director of the Company, if the Grantee was an employee at the time he received an Employment Inducement Award), (A) for any Award other than a Share Unit, a Termination of Affiliation by the Grantee upon having both attained age fifty-five (55) and completed at least ten (10) years of service with the Company or a Subsidiary or (B) for any Share Unit, having both attained age fifty-five (55) and completed at least ten (10) years of service with the Company or a Subsidiary.

2.43 "Rule 16b-3" means Rule 16b-3 promulgated by the SEC under the Exchange Act, as amended from time to time, together with any successor rule, as in effect from time to time.

2.44 "SAR" means a stock appreciation right.

2.45 "SEC" means the United States Securities and Exchange Commission, or any successor thereto.

2.46 "Section" means, unless the context otherwise requires, a Section of the Plan.

2.47 "Section 16 Person" means a person who is subject to potential liability under Section 16(b) of the 1934 Act with respect to transactions involving equity securities of the Company.

2.48 "Share" means a share of Common Stock.

2.49 "Share Unit" means a bookkeeping entry representing the equivalent of one share of Common Stock that is payable in the form of Common Stock unless at the time of grant the Plan Committee or the Board designates it to be paid in cash or any combination of cash and Common Stock.

2.50 "Spin-off Distribution" means the distribution by KCSI of at least 80% of the outstanding Shares, as a result of which the Company ceases to be a subsidiary of KCSI.

2.51 "Strike Price" of any SAR shall equal, for any Tandem SAR (whether such Tandem SAR is granted at the same time as or after the grant of the related Option), the Option Price of such Option, or for any other SAR, 100% of the Fair Market Value of a Share on the Grant Date of such SAR; *provided* that the Committee may specify a higher Strike Price in the Award Agreement.

2.52 "Subsidiary" means a United States or foreign corporation or limited liability company, partnership or other similar entity with respect to which the Company owns, directly or indirectly, 50% (or such lesser percentage as the Committee may specify, which percentage may be changed from time to time and may be different for different entities) or more of the Voting Power of such corporation, limited liability company, partnership or other similar entity and "Consolidated Subsidiary" means a Subsidiary that is consolidated with the Company for financial reporting purposes.

2.53 "Tandem SAR" means an SAR that is granted in connection with a related Option, the exercise of which shall require cancellation of the right to purchase a Share under the related Option (and when a Share is purchased under the related Option, the Tandem SAR shall similarly be canceled).

2.54 "Termination of Affiliation" occurs on the first day on which an individual is for any reason no longer providing services to the Company or any Subsidiary in the capacity of an employee, director or consultant, or with respect to an individual who is an employee or director of, or consultant to, a corporation which is a Subsidiary, the first day on which such corporation ceases to be a Subsidiary; provided, however, that for each Award subject to Section 409A of the Code, a Termination of Affiliation shall be deemed to have occurred under this Plan with respect to such Award on the first day on which an individual has experienced a "separation from service" within the meaning of Section 409A of the Code.

2.55 [Reserved.]

2.56 "Voting Power" means the combined voting power of the then-outstanding securities of a corporation entitled to vote generally in the election of directors.

Article 3. Administration

3.1 Committee

(a) Subject to Article 15, and to Section 3.2, the Plan shall be administered by the Board, or a committee appointed by the Board to administer the Plan ("Plan Committee"). To the extent the Board considers it desirable to comply with or qualify under Rule 16b-3 or meet the Performance-Based Exception, the Plan Committee shall consist of two or more directors of the Company, all of whom qualify as Outside Directors and "non-employee directors" within the meaning of Rule 16b-3. The number of members of the Plan Committee shall from time to time be increased or decreased, and shall be subject to such conditions, in each case as the Board deems appropriate to permit transactions in Shares pursuant to the Plan to satisfy such conditions of Rule 16b-3 and the Performance-Based Exception as then in effect.

(b) The Board or the Plan Committee may appoint and delegate to another committee ("Management Committee") any or all of the authority of the Board or the Plan Committee, as applicable, with respect to Awards to Grantees other than Grantees who are Section 16 Persons at the time any such delegated authority is exercised. With respect to Awards that are intended to meet the Performance-Based Exception and that are made to a Grantee who is expected to be a Covered Employee, such delegation shall not include any authority, which if exercised by the Management Committee rather than by the Plan Committee, would cause the Grantee's Award to fail to meet the Performance-Based Exception.

(c) Any references herein to "Committee" are references to the Board, or the Plan Committee or the Management Committee, as applicable.

3.2 Powers of Committee

Subject to the express provisions of the Plan, the Committee has full and final authority and sole discretion as follows:

(a) to determine when, to whom and in what types and amounts Awards should be granted and the terms and conditions applicable to each Award, including the benefit payable under any SAR, Performance Unit or Performance Share, and whether or not specific Awards shall be granted in connection with other specific Awards, and if so whether they shall be exercisable cumulatively with, or alternatively to, such other specific Awards;

(b) to determine the amount, if any, that a Grantee shall pay for Restricted Shares, whether to permit or require the payment of cash dividends thereon to be deferred and the terms

related thereto, when Restricted Shares (including Restricted Shares acquired upon the exercise of an Option) shall be forfeited and whether such shares shall be held in escrow;

(c) to construe and interpret the Plan and to make all determinations necessary or advisable for the administration of the Plan;

(d) to make, amend, and rescind rules relating to the Plan, including rules with respect to the exercisability and nonforfeitability of Awards upon the Termination of Affiliation of a Grantee;

(e) to determine the terms and conditions of all Award Agreements (which need not be identical) and, with the consent of the Grantee, to amend any such Award Agreement at any time, among other things, to permit transfers of such Awards to the extent permitted by the Plan; *provided* that the consent of the Grantee shall not be required for any amendment which (i) does not adversely affect the rights of the Grantee, or (ii) is necessary or advisable (as determined by the Committee) to carry out the purpose of the Award as a result of any new or change in existing applicable law;

(f) to cancel, with the consent of the Grantee, outstanding Awards and to grant new Awards in substitution therefore;

(g) to accelerate the exercisability (including exercisability within a period of less than six months after the Grant Date) of, and to accelerate or waive any or all of the terms and conditions applicable to, any Award or any group of Awards for any reason and at any time, including in connection with a Termination of Affiliation;

(h) subject to Sections 1.3 and 5.3, to extend the time during which any Award or group of Awards may be exercised;

(i) to make such adjustments or modifications to Awards to Grantees working outside the United States as are advisable to fulfill the purposes of the Plan or to comply with applicable local law;

(j) to impose such additional terms and conditions upon the grant, exercise or retention of Awards as the Committee may, before or concurrently with the grant thereof, deem appropriate, including limiting the percentage of Awards which may from time to time be exercised by a Grantee;

(k) to ensure that any Award granted under the Plan qualifies as an Employment Inducement Award; and

(l) to take any other action with respect to any matters relating to the Plan for which it is responsible.

All determinations on all matters relating to the Plan or any Award Agreement may be made in the sole and absolute discretion of the Committee, and all such determinations of the Committee shall be final, conclusive and binding on all Persons. No member of the Committee shall be liable for any action or determination made with respect to the Plan or any Award.

Article 4. Shares Subject to the Plan and Maximum Awards

4.1 Number of Shares Available for Grants. Subject to adjustment as provided in Section 4.2 and subject to the terms of Section 18.9, the number of Shares hereby reserved for issuance under the Plan shall be 4,000,000, and the maximum number of Shares for which Awards may be granted to any Grantee on any Grant Date, when aggregated with the number of Shares for which Awards have previously been granted to such Grantee in the same calendar year shall not exceed one percent (1%) of the total Shares outstanding as of such Grant Date; provided, however, that the total number of Shares for which Awards may be granted to any Grantee in any calendar year shall not exceed 2,000,000. For purposes of determining the maximum for a Grantee under the preceding sentence, any award of Shares that the Grantee receives under the LTI Stock Plan shall be treated as if it were an Award of Shares under this Plan. If any Shares subject to an Award granted hereunder are forfeited or such Award otherwise terminates without the issuance of such Shares or of other consideration in lieu of such Shares, the Shares subject to such Award, to the extent of any such forfeiture or termination shall again be available for grant under the Plan. If any Shares (whether subject to or received pursuant to an Award granted hereunder, purchased on the open market, or otherwise obtained) are withheld, applied as payment, or sold pursuant to procedures approved by the Committee and the proceeds thereof applied as payment in connection with the exercise of an Award or the withholding of taxes related thereto, such Shares, to the extent of any such withholding or payment, shall again be available or shall increase the number of Shares available, as applicable, for grant under the Plan. The Committee may from time to time determine the appropriate methodology for calculating the number of Shares (i) issued pursuant to the Plan, and (ii) granted to any Grantee pursuant to the Plan (or the LTI Stock Plan). Shares issued pursuant to the Plan may be treasury Shares or newly-issued Shares.

4.2 Adjustments in Authorized Shares. In the event that the Committee determines that any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), recapitalization, stock split, reverse stock split, subdivision, consolidation or reduction of capital, reorganization, merger, scheme of arrangement, split-up, spin-off or combination involving the Company or repurchase or exchange of Shares or other rights to purchase Shares or other securities of the Company, or other similar corporate transaction or event that occurs at any time after the Spin-off Distribution affects the Shares such that any adjustment is determined by the Committee to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, then the Committee shall, in such manner as it may deem equitable, adjust any or all of (i) the number and type of Shares (or other securities or property) with respect to which Awards may be granted, (ii) the

number and type of Shares (or other securities or property) subject to outstanding Awards, and (iii) the grant or exercise price with respect to any Award or, if deemed appropriate, make provision for a cash payment to the holder of an outstanding Award or the substitution of other property for Shares subject to an outstanding Award; *provided*, that the number of Shares subject to any Award denominated in Shares shall always be a whole number.

Article 5. Eligibility and General Conditions of Awards

5.1 Eligibility. Subject to Section 18.9, the Committee may grant Awards to any Eligible Person, whether or not he or she has previously received an Award.

5.2 Grant Date. The Grant Date of an Award shall be the date on which the Committee grants the Award or such later date as specified by the Committee.

5.3 Maximum Term. The Option Term or other period during which an Award may be outstanding shall under no circumstances extend more than 10 years after the Grant Date, and shall be subject to earlier termination as herein provided; *provided, however,* that any deferral of a cash payment or of the delivery of Shares that is permitted or required by the Committee pursuant to Article 12 may, if so permitted or required by the Committee, extend more than 10 years after the Grant Date of the Award to which the deferral relates.

5.4 Award Agreement. To the extent not set forth in the Plan, the terms and conditions of each Award (which need not be the same for each grant or for each Grantee) shall be set forth in an Award Agreement.

5.5 Restrictions on Share Transferability. The Committee may impose such restrictions on any Shares acquired pursuant to the exercise or vesting of an Award as it may deem advisable, including restrictions under applicable federal securities laws.

5.6 Termination of Affiliation. Except as otherwise provided in an Award Agreement, and subject to the provisions of Section 14.1, the extent to which the Grantee shall have the right to exercise, vest in, or receive payment in respect of an Award following Termination of Affiliation shall be determined in accordance with the following provisions of this Section 5.6.

(a) For Cause. If a Grantee has a Termination of Affiliation for Cause, (i) the Grantee's Restricted Shares that are forfeitable shall thereupon be forfeited, subject to the provisions of Section 8.4 regarding repayment of certain amounts to the Grantee; and (ii) any unexercised Option, or SAR, and any Performance Share or Performance Unit with respect to which the Performance Period has not ended as of the date of such Termination of Affiliation, shall terminate effective immediately upon such Termination of Affiliation.

(b) On Account of Death or Disability. If a Grantee has a Termination of Affiliation on account of death or Disability, then:

(1) the Grantee's Restricted Shares that were forfeitable shall thereupon become nonforfeitable;

(2) any unexercised Option or SAR, whether or not exercisable on the date of such Termination of Affiliation, may be exercised, in whole or in part, within the first 12 months after such Termination of Affiliation (but only during the Option Term) by the Grantee or, after his or her death, by (i) his or her personal representative or the person to whom the Option or SAR, as applicable, is transferred by will or the applicable laws of descent and distribution, or (ii) the Grantee's beneficiary designated in accordance with Article 11; and

(3) the benefit payable with respect to any Performance Share or Performance Unit with respect to which the Performance Period has not ended as of the date of such Termination of Affiliation on account of death or Disability shall be equal to the product of the Fair Market Value of a Share as of the date of such Termination of Affiliation or the value of the Performance Unit specified in the Award Agreement (determined as of the date of such Termination of Affiliation), as applicable, multiplied successively by each of the following:

(i) a fraction, the numerator of which is the number of months (including as a whole month any partial month) that have elapsed since the beginning of such Performance Period until the date of such Termination of Affiliation and the denominator of which is the number of months (including as a whole month any partial month) in the Performance Period; and

(ii) a percentage determined by the Committee that would be earned under the terms of the applicable Award Agreement assuming that the rate at which the performance goals have been achieved as of the date of such Termination of Affiliation would continue until the end of the Performance Period, or, if the Committee elects to compute the benefit after the end of the Performance Period, the Performance Percentage, as determined by the Committee, attained during the Performance Period.

(c) On Account of Retirement. If a Grantee has a Termination of Affiliation on account of Retirement, then:

(1) the Grantee's Restricted Shares that were forfeitable shall thereupon become nonforfeitable;

(2) any unexercised Option or SAR, whether or not exercisable on the date of such Termination of Affiliation, may be exercised, in whole or in part, within the first five years after such Termination of Affiliation (but only during the Option Term) by the Grantee or, after his or her death, by (i) his or her personal representative or the person to whom the

Option or SAR, as applicable, is transferred by will or the applicable laws of descent and distribution, or (ii) the Grantee's beneficiary designated in accordance with Article 11; and

(3) the benefit payable with respect to any Performance Share or Performance Unit with respect to which the Performance Period has not ended as of the date of such Termination of Affiliation on account of Retirement shall be equal to the product of the Fair Market Value of a Share as of the date of such Termination of Affiliation or the value of the Performance Unit specified in the Award Agreement (determined as of the date of such Termination of Affiliation), as applicable, multiplied successively by each of the following:

(i) a fraction, the numerator of which is the number of months (including as a whole month any partial month) that have elapsed since the beginning of such Performance Period until the date of such Termination of Affiliation and the denominator of which is the number of months (including as a whole month any partial month) in the Performance Period; and

(ii) a percentage determined by the Committee that would be earned under the terms of the applicable Award Agreement assuming that the rate at which the performance goals have been achieved as of the date of such Termination of Affiliation would continue until the end of the Performance Period, or, if the Committee elects to compute the benefit after the end of the Performance Period, the Performance Percentage, as determined by the Committee, attained during the Performance Period.

(d) Any Other Reason. If a Grantee has a Termination of Affiliation for any reason other than for Cause, death, Disability or Retirement, then:

(1) the Grantee's Restricted Shares, to the extent forfeitable on the date of the Grantee's Termination of Affiliation, shall be forfeited on such date;

(2) any unexercised Option or SAR, to the extent exercisable immediately before the Grantee's Termination of Affiliation, may be exercised in whole or in part, not later than three months after such Termination of Affiliation (but only during the Option Term) by the Grantee or, after his or her death, by (i) his or her personal representative or the person to whom the Option or SAR, as applicable, is transferred by will or the applicable laws of descent and distribution, or (ii) the Grantee's beneficiary designated in accordance with Article 11;

(3) if such Termination of Affiliation is the result of the Grantee's termination of employment by the Corporation or a Consolidated Subsidiary (other than for Cause), then, in addition to giving effect to the immediately preceding clause (2), the portion of any Option that was not exercisable immediately before the Grantee's Termination of Affiliation, may be exercised in whole or in part, not later than three months after such Termination of Affiliation (but only during the Option Term) by the Grantee or, after his or her death, by (i) his or her

personal representative or the person to whom the Option is transferred by will or the applicable laws of descent and distribution, or (ii) the Grantee's beneficiary designated in accordance with Article 11; and

(4) any Performance Shares or Performance Units with respect to which the Performance Period has not ended as of the date of such Termination of Affiliation shall terminate immediately upon such Termination of Affiliation.

5.7 Nontransferability of Awards.

(a) Except as provided in Section 5.7(c) below, each Award, and each right under any Award, shall be exercisable only by the Grantee during the Grantee's lifetime, or, if permissible under applicable law, by the Grantee's guardian or legal representative.

(b) Except as provided in Section 5.7(c) below, no Award (prior to the time, if applicable, Shares are issued in respect of such Award), and no right under any Award, may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by a Grantee otherwise than by will or by the laws of descent and distribution (or in the case of Restricted Shares, to the Company), and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company or any Subsidiary; *provided*, that the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer or encumbrance.

(c) To the extent and in the manner permitted by the Committee, and subject to such terms, conditions, restrictions or limitations that may be prescribed by the Committee, a Grantee may transfer an Award to (i) a spouse, sibling, parent, child (including an adopted child) or grandchild (any of which, an "Immediate Family Member") of the Grantee; (ii) a trust, the primary beneficiaries of which consist exclusively of the Grantee or Immediate Family Members of the Grantee; or (iii) a corporation, partnership or similar entity, the owners of which consist exclusively of the Grantee or Immediate Family Members of the Grantee.

5.8 Cancellation and Rescission of Awards. Unless the Award Agreement specifies otherwise, the Committee may cancel, rescind, suspend, withhold, or otherwise limit or restrict any unexercised Award at any time if the Grantee is not in compliance with all applicable provisions of the Award Agreement and the Plan or if the Grantee has a Termination of Affiliation for Cause.

5.9 Loans and Guarantees. The Committee may, subject to applicable law, (i) allow a Grantee to defer payment to the Company of all or any portion of the Option Price of an Option or the purchase price of Restricted Shares, or (ii) cause the Company to loan to the Grantee, or guarantee a loan from a third party to the Grantee for, all or any portion of the Option Price of an Option or the purchase price of Restricted Shares or all or any portion of any taxes associated with the exercise of, nonforfeitability of, or payment of benefits in connection with, an Award. Any such

payment deferral, loan or guarantee by the Company shall be on such terms and conditions as the Committee may determine.

Article 6. Stock Options

6.1 Grant of Options. Subject to the terms and provisions of the Plan, Options may be granted to any Eligible Person in such number, and upon such terms, and at any time and from time to time as shall be determined by the Committee. Without in any manner limiting the generality of the foregoing, and in a manner intended to comply with Section 409A of the Code, the Committee may grant to any Eligible Person, or permit any Eligible Person to elect to receive, an Option in lieu of or in substitution for any other compensation (whether payable currently or on a deferred basis, and whether payable under this Plan or otherwise) which such Eligible Person may be eligible to receive from the Company or a Subsidiary.

6.2 Award Agreement. Each Option grant shall be evidenced by an Award Agreement that shall specify the Option Price, the Option Term, the number of shares to which the Option pertains, the time or times at which such Option shall be exercisable and such other provisions as the Committee shall determine.

6.3 Option Price. The Option Price of an Option under this Plan shall be determined by the Committee, and shall be equal to or more than 100% of the Fair Market Value of a Share on the Grant Date; provided, however, that any Option that is (x) granted to a Grantee in connection with the acquisition ("Acquisition"), however effected, by the Company of another corporation or entity ("Acquired Entity") or the assets thereof, (y) associated with an option to purchase shares of stock of the Acquired Entity or an affiliate thereof ("Acquired Entity Option") held by such Grantee immediately prior to such Acquisition, and (z) intended to preserve for the Grantee the economic value of all or a portion of such Acquired Entity Option ("Substitute Option") may, to the extent necessary to achieve such preservation of economic value, be granted with an Option Price that is less than 100% of the Fair Market Value of a Share on the Grant Date.

6.4 Incentive Stock Options. None of the Options granted under this Plan shall be treated as "incentive stock options" for purposes of the requirements of Section 422 of the Code.

6.5 Payment. Options granted under this Article 6 shall be exercised by the delivery of a written notice of exercise to the Company, setting forth the number of Shares with respect to which the Option is to be exercised, accompanied by full payment for the Shares made by any one or more of the following means subject to the approval of the Committee:

(a) cash, personal check or wire transfer;

(b) Shares, valued at their Fair Market Value on the date of exercise;

(c) Restricted Shares, each such Share valued at the Fair Market Value of a Share on the date of exercise;

(d) subject to applicable law, pursuant to procedures approved by the Committee, through the sale of the Shares acquired on exercise of the Option through a broker-dealer to whom the Grantee has submitted an irrevocable notice of exercise and irrevocable instructions to deliver promptly to the Company the amount of sale or loan proceeds sufficient to pay for such Shares, together with, if requested by the Company, the amount of federal, state, local or foreign withholding taxes payable by Grantee by reason of such exercise; or

(e) when permitted by the Committee, payment may also be made in accordance with Section 5.9.

If any Restricted Shares ("Tendered Restricted Shares") are used to pay the Option Price, a number of Shares acquired on exercise of the Option equal to the number of Tendered Restricted Shares shall be subject to the same restrictions as the Tendered Restricted Shares, determined as of the date of exercise of the Option.

Article 7. Stock Appreciation Rights and Limited Stock Appreciation Rights

7.1 Grant of SARs. Subject to the terms and conditions of the Plan, SARs may be granted to any Eligible Person at any time and from time to time as shall be determined by the Committee. The Committee may grant Freestanding SARs, Tandem SARs, or any combination thereof.

The Committee shall determine the number of SARs granted to each Grantee (subject to Article 4), the Strike Price thereof, and, consistent with Section 7.2 and the other provisions of the Plan, the other terms and conditions pertaining to such SARs. The Strike Price shall be determined by the Committee, and shall be equal to or more than 100% of the Fair Market Value of a Share on the Grant Date; provided, however, that an Option that is (x) granted to a Grantee in connection with the acquisition ("Acquisition"), however effected, by the Company of another corporation or entity ("Acquired Entity") or the assets thereof, (y) associated with an option to purchase shares of stock of the Acquired Entity" or an affiliate thereof ("Acquired Entity Option") held by such Grantee immediately prior to such Acquisition, and (z) intended to preserve for the Grantee the economic value of all or a portion of such Acquired Entity Option ("Substitute Option") may, to the extent necessary to achieve such preservation of economic value, be granted with an option price that is less than 100% of the Fair Market Value of a Share on the Grant Date, provided that such grant is made in a manner that will not result in the Substitute Option being subject to the requirements of Section 409A of the Code.

7.2 Exercise of Tandem SARs. Tandem SARs may be exercised for all or part of the Shares subject to the related Award upon the surrender of the right to exercise the equivalent

portion of the related Award. A Tandem SAR may be exercised only with respect to the Shares for which its related Award is then exercisable.

Notwithstanding any other provision of this Plan to the contrary, with respect to a Tandem SAR, (i) the Tandem SAR will expire no later than the expiration of the underlying Option; (ii) the value of the payout with respect to the Tandem SAR may be for no more than 100% of the difference between the Option Price of the underlying Option and the Fair Market Value of the Shares subject to the underlying Option at the time the Tandem SAR is exercised; and (iii) the Tandem SAR may be exercised only when the Fair Market Value of the Shares subject to the Option exceeds the Option Price of the Option.

7.3 Payment of SAR Amount. Upon exercise of an SAR, the Grantee shall be entitled to receive payment from the Company in an amount determined by multiplying:

(a) the excess of the Fair Market Value of a Share on the date of exercise over the Strike Price;

by

(b) the number of Shares with respect to which the SAR is exercised;

provided that the Committee may provide in the Award Agreement that the benefit payable on exercise of an SAR shall not exceed such percentage of the Fair Market Value of a Share on the Grant Date as the Committee shall specify. As provided by the Committee, the payment upon SAR exercise shall either be in cash or in Shares which have an aggregate Fair Market Value (as of the date of exercise of the SAR) equal to the amount of the payment, or in some combination thereof, as set forth in the Award Agreement.

Article 8. Restricted Shares

8.1 Grant of Restricted Shares. Subject to the terms and provisions of the Plan, the Committee, at any time and from time to time, may grant Restricted Shares to any Eligible Person in such amounts as the Committee shall determine.

8.2 Award Agreement. Each grant of Restricted Shares shall be evidenced by an Award Agreement that shall specify the Period(s) of Restriction, the number of Restricted Shares granted, and such other provisions as the Committee shall determine. The Committee may impose such conditions and/or restrictions on any Restricted Shares granted pursuant to the Plan as it may deem advisable, including restrictions based upon the achievement of specific performance goals (Company-wide, divisional, Subsidiary and/or individual), time-based restrictions on vesting, and/or restrictions under applicable securities laws.

8.3 Consideration. The Committee shall determine the amount, if any, that a Grantee shall pay for Restricted Shares. Such payment shall be made in full by the Grantee before the delivery of the shares or share units and in any event no later than 10 business days after the Grant Date for such shares or share units.

8.4 Effect of Forfeiture. If Restricted Shares are forfeited, and if the Grantee was required to pay for such shares or share units or acquired such Restricted Shares upon the exercise of an Option, the Grantee shall be deemed to have resold such Restricted Shares to the Company at a price equal to the lesser of (x) the amount paid by the Grantee for such Restricted Shares, or (y) the Fair Market Value of a Share or Share Unit on the date of such forfeiture. The Company shall pay to the Grantee the required amount as soon as is administratively practical. Such Restricted Shares shall cease to be outstanding, and shall no longer confer on the Grantee thereof any rights as a stockholder of the Company, from and after the date of the event causing the forfeiture, whether or not the Grantee accepts the Company's tender of payment for such Restricted Shares.

8.5 Escrow; Legends. The Committee may provide that any certificates for Restricted Shares (x) shall be held (together with a stock power executed in blank by the Grantee) in escrow by the Secretary of the Company until such Restricted Shares become nonforfeitable or are forfeited and/or (y) shall bear an appropriate legend restricting the transfer of such Restricted Shares. If any Restricted Shares become nonforfeitable, the Company shall cause any certificates for such shares to be issued without such legend.

Article 9. Performance Units and Performance Shares

9.1 Grant of Performance Units and Performance Shares. Subject to the terms of the Plan, Performance Units or Performance Shares may be granted to any Eligible Person in such amounts and upon such terms, and at any time and from time to time, as shall be determined by the Committee.

9.2 Value/Performance Goals. Each Performance Unit shall have an initial value that is established by the Committee at the time of grant. Each Performance Share shall have an initial value equal to the Fair Market Value of a Share on the date of grant. The Committee shall set performance goals which, depending on the extent to which they are met, will determine the number or value of Performance Units or Performance Shares that will be paid out to the Grantee. For purposes of this Article 9, the time period during which the performance goals must be met shall be called a "Performance Period."

9.3 Earning of Performance Units and Performance Shares. Subject to the terms of this Plan, after the applicable Performance Period has ended, the holder of Performance Units or Performance Shares shall be entitled to receive a payout based on the number and value of Performance Units or Performance Shares earned by the Grantee over the Performance Period, to

be determined as a function of the extent to which the corresponding performance goals have been achieved.

If a Grantee is promoted, demoted or transferred to a different business unit of the Company during a Performance Period, then, to the extent the Committee determines the performance goals or Performance Period are no longer appropriate, the Committee may adjust, change or eliminate the performance goals or the applicable Performance Period as it deems appropriate in order to make them appropriate and comparable to the initial performance goals or Performance Period.

9.4 Form and Timing of Payment of Performance Units and Performance Shares. Payment of earned Performance Units or Performance Shares shall be made in a lump sum following the close of the applicable Performance Period. The Committee may pay earned Performance Units or Performance Shares in the form of cash or in Shares (or in a combination thereof) which have an aggregate Fair Market Value equal to the value of the earned Performance Units or Performance Shares at the close of the applicable Performance Period. Such Shares may be granted subject to any restrictions deemed appropriate by the Committee. The form of payout of such Awards shall be set forth in the Award Agreement pertaining to the grant of the Award.

As determined by the Committee, a Grantee may be entitled to receive any dividends declared with respect to Shares which have been earned in connection with grants of Performance Units or Performance Shares but not yet distributed to the Grantee. In addition, a Grantee may, as determined by the Committee, be entitled to exercise his or her voting rights with respect to such Shares.

Article 10. Bonus Shares

Subject to the terms of the Plan, the Committee may grant Bonus Shares to any Eligible Person, in such amount and upon such terms and at any time and from time to time as shall be determined by the Committee. The terms of such Bonus Shares shall be set forth in the Award Agreement pertaining to the grant of the Award.

Article 11. Beneficiary Designation

Each Grantee under the Plan may, from time to time, name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under the Plan is to be paid in case of his or her death before he or she receives any or all of such benefit. Each such designation shall revoke all prior designations by the same Grantee, shall be in a form prescribed by the Company, and will be effective only when filed by the Grantee in writing with the Company during the Grantee's lifetime. In the absence of any such designation, benefits remaining unpaid at the Grantee's death shall be paid to the Grantee's estate.

Article 12. Deferrals

The Committee may permit or require a Grantee to defer receipt of the payment of cash or the delivery of Shares that would otherwise be due by virtue of the exercise of an Option or SAR, the lapse or waiver of restrictions with respect to Restricted Shares, the satisfaction of any requirements or goals with respect to Performance Units or Performance Shares, or the grant of Bonus Shares. If any such deferral is required or permitted, the Committee shall establish rules and procedures for such deferrals; provided, however, to the extent that such deferral is subject to Section 409A of the Code, the rules and procedures established by the Committee shall comply with Section 409A of the Code. Except as otherwise provided in an Award Agreement, any payment or any Shares that are subject to such deferral shall be made or delivered to the Grantee upon the Grantee's Termination of Affiliation.

Article 13. Rights of Employees/Directors/Consultants

13.1 Employment. Nothing in the Plan shall interfere with or limit in any way the right of the Company to terminate any Grantee's employment, directorship or consultancy at any time, nor confer upon any Grantee the right to continue in the employ or as a director or consultant of the Company.

13.2 Participation. No employee shall have the right to be selected to receive an Award under the Plan or, having been so selected, to be selected to receive a future Award.

13.3 Dividend Equivalents. Subject to the provisions of the Plan and any Award, the recipient of an Award (including any Award deferred in accordance with procedures established pursuant to Article 12) may, if so determined by the Committee, be entitled to receive, currently or on a deferred basis, cash, stock or other property dividends, or cash payments in amounts equivalent to cash, stock or other property dividends on shares of Common Stock ("Dividend Equivalents") with respect to the number of shares of Common Stock covered by the Award, as determined by the Committee, in its sole discretion, and the Committee may provide that such amounts (if any) shall be deemed to have been reinvested in additional shares or otherwise reinvested; provided, however, that if such payment of dividends or Dividend Equivalents would be subject to Section 409A of the Code, no such payment may be made if it would fail to comply with the requirements set forth in Section 409A of the Code.

Article 14. Change of Control

14.1 Change of Control. Except as otherwise provided in an Award Agreement, if a Change of Control occurs, then:

(a) the Grantee's Restricted Shares that were forfeitable shall thereupon become nonforfeitable;

(b) any unexercised Option or SAR, whether or not exercisable on the date of such Change of Control, shall thereupon be fully exercisable and may be exercised, in whole or in part; and

(c) the Company shall immediately pay to the Grantee, with respect to any Performance Share or Performance Unit with respect to which the Performance Period has not ended as of the date of such Change of Control, a cash payment equal to the product of (i) in the case of a Performance Share, the Change of Control Value or (ii) in the case of a Performance Unit, the value of the Performance Unit specified in the Award Agreement, as applicable, multiplied successively by each of the following:

(1) a fraction, the numerator of which is the number of whole and partial months that have elapsed between the beginning of such Performance Period and the date of such Change of Control and the denominator of which is the number of whole and partial months in the Performance Period; and

(2) a percentage equal to a greater of (x) the target percentage, if any, specified in the applicable Award Agreement or (y) the maximum percentage, if any, that would be earned under the terms of the applicable Award Agreement assuming that the rate at which the performance goals have been achieved as of the date of such Change of Control would continue until the end of the Performance Period.

14.2 409A Exception. With respect to each Award that is subject to Section 409A of the Code, if a Change in Control would have occurred under the Plan pursuant to the definition in Section 2.8 except that such Change in Control does not constitute a change in the ownership or effective control of the Company or a change in the ownership of a substantial portion of the assets of the Company under Section 409A, then each such Award shall become vested and non-forfeitable; provided, however, that the Grantee shall not be able to exercise the Award, and the Award shall not become payable, except in accordance with the terms of such Award or until such earlier time as the exercise and/or payment complies with Section 409A of the Code.

Article 15. Amendment, Modification, and Termination

15.1 Amendment, Modification, and Termination. Subject to the terms of the Plan, the Board may at any time and from time to time, alter, amend, suspend or terminate the Plan in whole or in part without the approval of the Company's stockholders. The Board may delegate to the Plan Committee any or all of the authority of the Board under Section 15.1 to alter, amend, suspend or terminate the Plan.

15.2 Adjustment of Awards Upon the Occurrence of Certain Unusual or Nonrecurring Events. The Committee may make adjustments in the terms and conditions of, and the criteria

included in, Awards in recognition of unusual or nonrecurring events (including the events described in Section 4.2) affecting the Company or the financial statements of the Company or of changes in applicable laws, regulations, or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan; provided that no such adjustment shall be authorized to the extent that such authority would be inconsistent with the Plan's meeting the requirements of the Performance-Based Exception.

15.3 Awards Previously Granted. Notwithstanding any other provision of the Plan to the contrary, no termination, amendment, or modification of the Plan shall adversely affect in any material way any Award previously granted under the Plan, without the written consent of the Grantee of such Award.

Article 16. Withholding

16.1 Withholding

(a) Mandatory Tax Withholding.

(1) Whenever, under the Plan, Shares are to be delivered upon exercise or payment of an Award or upon Restricted Shares becoming nonforfeitable, or any other event with respect to rights and benefits hereunder, the Company shall be entitled to require (i) that the Grantee remit an amount in cash, or if determined by the Committee, Mature Shares, sufficient to satisfy all federal, state, local and foreign tax withholding requirements related thereto ("Required Withholding"), (ii) the withholding of such Required Withholding from compensation otherwise due to the Grantee or from any Shares or other payment due to the Grantee under the Plan or (iii) any combination of the foregoing.

(2) Any Grantee who makes a Disqualifying Disposition or an election under Section 83(b) of the Code shall remit to the Company an amount sufficient to satisfy all resulting Required Withholding; *provided* that, in lieu of or in addition to the foregoing, the Company shall have the right to withhold such Required Withholding from compensation otherwise due to the Grantee or from any Shares or other payment due to the Grantee under the Plan.

(b) Elective Share Withholding.

(1) Subject to Section 16.1(b)(2), a Grantee may elect the withholding ("Share Withholding") by the Company of a portion of the Shares subject to an Award upon the exercise of such Award or upon Restricted Shares becoming non-forfeitable or upon making an election under Section 83(b) of the Code (each, a "Taxable Event") having a Fair Market Value equal to (i) the minimum amount necessary to satisfy Required Withholding liability attributable to the Taxable Event; or (ii) with the Committee's prior approval, a greater amount, not to exceed the estimated total amount of such Grantee's tax liability with respect to the Taxable Event.

(2) Each Share Withholding election shall be subject to the following conditions:

(i) any Grantee's election shall be subject to the Committee's discretion to revoke the Grantee's right to elect Share Withholding at any time before the Grantee's election if the Committee has reserved the right to do so in the Award Agreement;

(ii) the Grantee's election must be made before the date (the "Tax Date") on which the amount of tax to be withheld is determined; and

(iii) the Grantee's election shall be irrevocable.

16.2 Notification under Code Section 83(b). If the Grantee, in connection with the exercise of any Option, or the grant of Restricted Shares, makes the election permitted under Section 83(b) of the Code to include in such Grantee's gross income in the year of transfer the amounts specified in Section 83(b) of the Code, then such Grantee shall notify the Company of such election within 10 days of filing the notice of the election with the Internal Revenue Service, in addition to any filing and notification required pursuant to regulations issued under Section 83(b) of the Code. The Committee may, in connection with the grant of an Award or at any time thereafter prior to such an election being made, prohibit a Grantee from making the election described above.

Article 17. Successors

All obligations of the Company under the Plan with respect to Awards granted hereunder shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise of all or substantially all of the business and/or assets of the Company.

Article 18. Additional Provisions

18.1 Gender and Number. Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine, the plural shall include the singular and the singular shall include the plural.

18.2 Severability. If any part of the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any other part of the Plan. Any Section or part of a Section so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

18.3 Requirements of Law. The granting of Awards and the issuance of Shares under the Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or stock exchanges as may be required. Notwithstanding any provision of the Plan or any Award, Grantees shall not be entitled to exercise, or receive benefits under, any Award, and the Company shall not be obligated to deliver any Shares or other benefits to a Grantee, if such exercise or delivery would constitute a violation by the Grantee or the Company of any applicable law or regulation.

18.4 Securities Law Compliance.

(a) If the Committee deems it necessary to comply with any applicable securities law, or the requirements of any stock exchange upon which Shares may be listed, the Committee may impose any restriction on Shares acquired pursuant to Awards under the Plan as it may deem advisable. All certificates for Shares delivered under the Plan pursuant to any Award or the exercise thereof shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the rules, regulations and other requirements of the SEC, any stock exchange upon which Shares are then listed, any applicable securities law, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions. If so requested by the Company, the Grantee shall make a written representation to the Company that he or she will not sell or offer to sell any Shares unless a registration statement shall be in effect with respect to such Shares under the Securities Act of 1993, as amended, and any applicable state securities law or unless he or she shall have furnished to the Company evidence satisfactory to the Company that such registration is not required.

(b) If the Committee determines that the exercise or nonforfeitability of, or delivery of benefits pursuant to, any Award would violate any applicable provision of securities laws or the listing requirements of any stock exchange upon which any of the Company's equity securities are listed, then the Committee may postpone any such exercise, nonforfeitability or delivery, as applicable, but the Company shall use all reasonable efforts to cause such exercise, nonforfeitability or delivery to comply with all such provisions at the earliest practicable date.

18.5 No Rights as a Stockholder. A Grantee shall not have any rights as a stockholder of the Company with respect to the Shares (other than Restricted Shares) which may be deliverable upon exercise or payment of such Award until such shares have been delivered to him or her. Restricted Shares, whether held by a Grantee or in escrow by the Secretary of the Company, shall confer on the Grantee all rights of a stockholder of the Company, except as otherwise provided in the Plan or Award Agreement. At the time of a grant of Restricted Shares, the Committee may require the payment of cash dividends thereon to be deferred and, if the Committee so determines, reinvested in additional Restricted Shares. Stock dividends and deferred cash dividends issued with respect to Restricted Shares shall be subject to the same restrictions and other terms as apply to the Restricted Shares with respect to which such dividends are issued. The Committee may provide for payment of interest on deferred cash dividends.

18.6 Nature of Payments. Awards shall be special incentive payments to the Grantee and shall not be taken into account in computing the amount of salary or compensation of the Grantee for purposes of determining any pension, retirement, death or other benefit under (a) any pension, retirement, profit-sharing, bonus, insurance or other employee benefit plan of the Company or any Subsidiary or (b) any agreement between (i) the Company or any Subsidiary and (ii) the Grantee, except as such plan or agreement shall otherwise expressly provide.

18.7 Performance Measures. Subject to Section 18.9, the performance measure(s) to be used for purposes of such Awards shall be chosen from among the following:

(a) stock price;
(b) market share;
(c) sales (gross or net);
(d) asset quality;
(e) non-performing assets;
(f) earnings per share;
(g) return on equity;
(h) costs;
(i) operating income;
(j) net income;
(k) marketing-spending efficiency;
(l) return on operating assets;
(m) return on assets;
(n) core non-interest income;
(o) fund performance;
(p) pre-tax margin;
(q) pre-tax income; and/or
(r) levels of cost savings.

Any of the foregoing performance measures may be applied, as determined by the Committee, in respect of the Company or any of its subsidiaries, affiliates, business units or divisions and/or the Company's or any of its subsidiary's, affiliate's, business unit's or division's worldwide, regional or country specific operations (or any combination of the foregoing). Performance measures shall specify whether they are to be measured relative to budgeted or other internal goals, operations, performance or results of the Company and/or any of its subsidiaries, affiliates, business units or divisions, or relative to the performance of one or more peer groups of the Company and/or any of its subsidiaries, affiliates, business units or divisions, with the composition of any such peer groups to be determined by the Committee at the time the performance measure is established. Performance measures may be stated in the alternative or in combination. The Committee shall have the right but not the obligation to make adjustments to a performance measure to take into account any unusual or extraordinary events, to the extent not inconsistent with the requirements of the Performance-Based Exception.

The Committee may adjust the determinations of the degree of attainment of the preestablished performance goals; provided, however, that Awards which are designed to qualify for the Performance-Based Exception may not be adjusted upward without the approval of the Company's stockholders (the Committee may adjust such Awards downward).

In the event that applicable tax and/or securities laws change to permit Committee discretion to alter the governing performance measures without obtaining stockholder approval of such changes, and still qualify for the Performance-Based Exception, the Committee shall have sole discretion to make such changes without obtaining stockholder approval.

18.8 Governing Law. The Plan, and all agreements hereunder, shall be construed in accordance with and governed by the laws of the State of Delaware other than its laws respecting choice of law.

18.9 Code Section 162(m). While the Performance-Based Exception continues to exist and to apply to the Company pursuant to the Code, it is intended that the Committee shall be able to grant Awards under this Plan that qualify for the Performance-Based Exception. Therefore, in the event that the Company submits to shareholders, after the Effective Date, terms that are intended to satisfy the Performance-Based Exception with respect to the types of Awards that may be made under this Plan, and those terms are approved by the shareholders ("Approved Terms"), then certain provisions of this Plan shall automatically be modified as provided in this section effective as of the date of such approval with respect to Awards that are granted on or after such date.

(a) The provisions of Section 4.1 that provide maximum Awards for any Grantee shall be modified to reflect any Approved Terms that limit the Awards that may be given to any individual Grantee.

(b) The provisions of Section 5.1 that specify the eligibility of individuals for Awards under this Plan shall be modified reflect any Approved Terms regarding eligibility, except that such Approved Terms shall be narrowed (if necessary) so that only those individuals who otherwise satisfy the Approved Terms and who are also employees of the Company or a Subsidiary shall be eligible.

(c) The provisions of Section 18.7 that specify performance measures under this Plan shall be modified to reflect any Approved Terms regarding performance measures.

(d) In the case of any other provision of the Plan that is necessary for an Award to qualify for the Performance-Based Exception, and with respect to which Approved Terms become effective, such provision of the Plan shall be modified to reflect such Approved Terms.

18.10 Code Section 409A Compliance. Notwithstanding any provision of the Plan, to the extent that any Award would be subject to Section 409A of the Code, no such Award may be granted if it would fail to comply with the requirements set forth in Section 409A of the Code. To the extent that the Committee determines that the Plan or any Award is subject to Section 409A of the Code and fails to comply with the requirements of Section 409A of the Code, notwithstanding anything to the contrary contained in the Plan or in any Award Agreement, the Committee, reserves the right to amend or terminate the Plan and/or amend, restructure, terminate or replace the Award in order to cause the Award to either not be subject to Section 409A of the Code or to comply with the applicable provisions of such section.

Exhibit 10.3

JANUS CAPITAL GROUP INC.

AMENDED AND RESTATED DIRECTOR DEFERRED FEE PLAN

EFFECTIVE AS OF
JANUARY 1, 2005
AMENDED AS OF OCTOBER 20, 2008

ARTICLE I - INTRODUCTION

Janus Capital Group Inc. (the "Company") has established the Janus Capital Group Inc. Director Deferred Fee Plan (the "Plan") to permit eligible members of the Company's board of directors to defer their fees and certain stock awards made under its director compensation programs. The Plan was originally adopted June 12, 2000, and was subsequently restated on May 12, 2004, January 1, 2005 and January 22, 2008. This document, which is a complete restatement of the Plan, is effective as of October 20, 2008, and it shall apply to amounts that are considered deferred after December 31, 2004 for purposes of Section 409A. Prior deferrals shall continue to be governed by the terms of the May 12, 2004 restatement.

This document sets forth the terms of the Plan for applicable deferrals, specifying the group of Directors of the Company's board of directors who are eligible to make deferrals, the procedures for electing to defer compensation and the Plan's provisions for maintaining and paying out amounts that have been deferred.

The Plan shall be unfunded and unsecured, and amounts deferred by an Eligible Director are an obligation of the Company.

ARTICLE II - DEFINITIONS

When used in this Plan, the following underlined terms shall have the meanings set forth below unless a different meaning is plainly required by the context:

2.01 Account:

The account maintained for a Participant on the books of the Company to determine, from time to time, the Participant's interest under this Plan. The balance in such Account shall be determined by the Plan Administrator's delegate. Each Participant's Account shall consist of at least one Deferral Subaccount for each separate deferral of Monetary Fees or Stock Fees under Section 4.02. The Plan Administrator's delegate may also establish such additional Deferral Subaccounts as it deems necessary for the proper administration of the Plan. The Plan Administrator's delegate may also combine Deferral Subaccounts to the extent it deems separate accounts are not needed for sound recordkeeping; provided, that a Monetary Fee Subaccount may not be combined with a Stock Fee Subaccount and a Stock Fee Subaccount may not be combined with a Monetary Fee Subaccount. Where appropriate, a reference to a Participant's Account shall include a reference to each applicable Deferral Subaccount that has been established thereunder.

2.02 Beneficiary:

The person or persons (including a trust or trusts) properly designated by a Participant, as determined by the Plan Administrator's delegate, to receive the amounts in one or more of the Participant's Deferral Subaccounts in the event of the Participant's death. To be effective, any Beneficiary designation must be in writing, signed by the Participant, and filed with the Plan Administrator's delegate prior to the Participant's death. In addition, the designation must meet such other standards as the Plan Administrator shall require from time to time. If no designation is validly in effect at the time of a Participant's death or if all designated Beneficiaries have predeceased the Participant, then the Participant's Beneficiary shall be his or her Spouse. If the Participant has no Spouse or if the Participant's Spouse has predeceased the Participant, then the Participant's Beneficiary shall be his or her children (paid on a per stirpes basis). If the Participant has no children or if the Participant's children have predeceased the Participant, then the Participant's Beneficiary shall be his or her estate. A Beneficiary designation of an individual by name (or name and relationship) remains in effect regardless of any change in the designated individual's relationship to the Participant. A Beneficiary designation solely by relationship (for example, a designation of "Spouse," that does not give the name of the Spouse) shall designate whoever is the person in that relationship to the Participant at his or her death. An individual who is otherwise a Beneficiary with respect to a Participant's Account ceases to be a Beneficiary when all payments have been made from the Account.

2.03 Board:

The Board of Directors of the Company.

2.04 Change in Ownership:

A change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the assets of the Company, as defined in Reg. 1.409A-3(i)(5).

2.05 Code:

The Internal Revenue Code of 1986, as amended from time to time.

2.06 Company:

Janus Capital Group Inc., a corporation organized and existing under the laws of the State of Delaware, or its successor or successors.

2.07 Deferral Subaccount:

A subaccount of a Participant's Account maintained to reflect his or her interest in the Plan attributable to each deferral (or separately tracked portion of a deferral) of Monetary Fees and Stock Fees, respectively, and earnings or losses credited to such subaccount in accordance with Article V. Each Deferral Subaccount shall be classified as either a Monetary Fee Subaccount or a Stock Fee Subaccount.

2.08 Disability:

A Participant shall be considered to suffer from a Disability, if, in the judgment of the Plan Administrator's delegate, the Participant -

(a) Is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or

(b) Is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than 3 months under an accident and health plan covering employees of the Company.

2.09 Distribution Date:

Distribution Date shall have the same meaning as Valuation Date; provided, however, if the Valuation Date is more frequent than once per month, the Distribution Date shall mean the first day of each month.

2.10 Dividend Equivalent:

A Dividend Equivalent shall be provided to reflect the cash, Stock or other property dividends paid on actual shares of Stock. The amount and character of the Dividend Equivalent shall be determined by the Plan Administrator's delegate, to the extent possible, based on the dividends the Participant's Stock Fee Subaccount would receive if it held actual shares equal in number to the phantom units existing in the Participant's Stock Fee Subaccount on the record date of the actual dividend.

2.11 Election Form:

The form prescribed by the Plan Administrator's delegate on which a Participant specifies the amount of his or her Monetary Fees and Stock Fees to be deferred pursuant to the provisions of Article IV. An Election Form need not exist in a paper format, and it is expressly contemplated that the Plan Administrator's delegate may adopt such technologies, including voice response systems, emails, electronic forms and internet or intranet sites, as it deems appropriate from time to time.

2.12 Eligible Director:

The term, Eligible Director, shall have the meaning given to it in Section 3.01(b).

2.13 ERISA:

Public Law 93-406, the Employee Retirement Income Security Act of 1974, as amended from time to time.

2.14 Fair Market Value:

The closing price on the applicable date (or if such date is not a trading date, the immediately preceding date that is a trading date) for Stock as reported on the composite tape for securities listed on the New York Stock Exchange, Inc., rounded to four decimal places.

2.15 Fees:

The Monetary Fees and the Stock Fees, collectively.

2.16 Key Employee:

Any Eligible Director or former Eligible Director who as of December 31st of the Plan Year preceding the Plan Year in which the Director incurs a Separation from Service: –

(a) an officer of the Company that maintains a "Vice President" or higher office (or equivalent designation) as defined by the Human Resources Department of the Company;;

(b) a 5 percent owner of the Company; or

(c) a 1-percent owner of the Company having annual compensation of more than $150,000.

2.17 Monetary Fees:

Direct monetary remuneration to the extent paid in U.S. dollars to the Eligible Director by the Company. Monetary Fees shall be limited to the amount due an Eligible Director for the discharge of his or her duties as a member of the Board, and shall be reduced for any amounts that the Plan Administrator recognizes as reducing the amount of Monetary Fees available for deferral. Monetary Fees shall not include the amount of any reimbursement by the Company for expenses incurred by the Eligible Director in the discharge of his or her duties as a member of the Board.

2.18 Monetary Fee Subaccount:

The one or more Deferral Subaccounts that track the Participant's deferrals of Monetary Fees and the earnings and losses applicable thereto.

2.19 Participant:

Any Eligible Director who is qualified to participate in this Plan in accordance with Section 3.01 and who has an Account. An active Participant is one who is currently deferring under Section 4.01.

2.20 Plan:

The Janus Capital Group Inc. Director Deferred Fee Plan, as set forth herein and as it may be amended and restated from time to time.

2.21 Plan Administrator:

The Board or a committee appointed by the Board to administer the Plan ("Plan Committee"). The Plan Committee shall consist of two or more directors of the Company, all of whom qualify as "non-employee directors" within the meaning of Rule 16b-3. The number of members of the Plan Committee shall from time to time be increased or decreased, and shall be subject to such conditions, in each case as the Board deems appropriate to permit transactions in securities (including derivative securities) of the Company pursuant to the Plan to satisfy such conditions of Rule 16b-3 as then in effect.

2.22 Plan Year:

The 12-consecutive month period beginning on January 1 and ending on December 31.

2.23 Section 409A:

Section 409A of the Code and the applicable regulations and other guidance of general applicability that is issued thereunder.

2.24 Separation from Service:

A Participant's separation from service with the Company and all other Company subsidiaries and affiliates, which meets the requirements of Section 409A(a)(2)(A)(i).

2.25 Spouse:

An individual shall be considered a Participant's Spouse for purposes of this Plan if - (i) the individual is of the opposite gender to the Participant, (ii) the individual and the Participant are considered to be legally married (including a common law marriage, if the common law marriage was formed in one of the states that permit the formation of a common law marriage), and (iii) the marriage of the individual and the Participant is recognized on the relevant day as valid in the state where the Participant resides.

2.26 Start Date:

The effective date that this Plan was amended and restated, which is January 1, 2005.

2.27 Stock:

The Company's common stock, $0.01 par value.

2.28 Stock Fees:

Restricted Stock awarded to an Eligible Director pursuant to the 1998 Long Term Incentive Stock Plan or any successor plan that is recognized by the Plan Administrator as eligible for deferral for purposes of this Plan.

2.29 Stock Fee Subaccount:

The one or more Deferral Subaccounts that track the Participant's deferrals of Stock Fees and the earnings and losses applicable thereto.

2.30 Unforeseeable Emergency:

A severe financial hardship to the Participant resulting from -

(a) An illness or accident of the Participant, the Participant's Spouse or a dependent (as defined in Code section 152(a)) of the Participant;

(b) Loss of the Participant's property due to casualty; or

(c) Any other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant.

The Plan Administrator's delegate shall determine the occurrence of an Unforeseeable Emergency in accordance with Section 409A(a)(2)(B)(ii).

2.31 Valuation Date:

Each date as specified by the Plan Administrator from time to time as of which Participant Accounts are valued in accordance with Plan procedures that are currently in effect. As of the Start Date, the Valuation Dates are March 31, June 30, September 30 and December 31. In accordance with procedures that may be adopted by the Plan Administrator, any current Valuation Date may be changed. Values are determined as of the close of a Valuation Date or, if such date is not a business day, as of the close of the immediately preceding business day.

ARTICLE III - ELIGIBILITY AND PARTICIPATION

3.01 Eligibility to Participate.

(a) Only Eligible Directors, as defined below, shall be eligible to make an initial deferral of compensation under this Plan. During the period an individual satisfies all of the eligibility requirements of this Section, he or she shall be referred to as an Eligible Director.

(b) An Eligible Director shall mean any individual who is currently a member of the Board and who is not currently an employee of the Company or one of its affiliates.

(c) Each Eligible Director becomes an active Participant on the date an amount is first withheld from his or her compensation pursuant to an Election Form submitted by the Eligible Director to the delegate of the Plan Administrator in accordance with Section 4.01.

3.02 Termination of Eligibility to Defer.

A Participant's eligibility to make future deferrals under Section 4.01 shall terminate upon the date he or she ceases to be an Eligible Director. After termination of an individual's eligibility to make deferrals under the Plan and until termination of participation in accordance with Section 3.03, the individual shall be an inactive Participant in this Plan.

3.03 Termination of Participation.

An individual, who is a Participant (whether active or inactive) under the Plan, ceases to be a Participant on the date his or her Account is fully paid out.

ARTICLE IV - DEFERRAL OF COMPENSATION

4.01 Deferral Elections.

(a) Each Eligible Director may make an election to defer under the Plan any whole percentage of his or her Monetary Fees (up to 100%) in the manner described in Section 4.02. Any percentage of Monetary Fees deferred by an Eligible Director for a Plan Year shall be deducted in each payment period during the Plan Year for which he or she has Monetary Fees and is an Eligible Director. In addition, each Eligible Director may make an election to defer under the Plan any whole number of shares included in his or her Stock Fees (up to the entire award). Any portion of Stock Fees elected for deferral by an Eligible Director for a Plan Year shall reduce the shares of Stock Fees otherwise payable to the Eligible Director and shall be deemed deferred at the time these Stock Fees would otherwise be issued to the Director, provided he or she remains an Eligible Director at such time.

(b) Notwithstanding subsection (a) above, the Plan Administrator in its discretion may implement rules and procedures from time to time that allow Eligible Directors - (1) to elect to defer Monetary Fees and/or Stock Fees using other measures, such as deferring Monetary Fees in whole dollar amounts and Stock Fees in percentages, or (2) to specify a dollar maximum that would limit their deferral elections of Monetary Fees and/or Stock Fees.

(c) To be effective, an Eligible Director's Election Form must set forth - (i) the portion of Monetary Fees and/or Stock Fees to be deferred in accordance with subsection (a) above (or based on an alternative measure in accordance with subsection (b)), (ii) in the case of deferrals of Monetary Fees, the initial phantom investment option or options under Section 5.02 to which the will be credited initially, (iii) the Eligible Director's Beneficiary designation (in accordance with Section 4.02(e)), and (iv) any other information that may be required by the Plan Administrator from time to time. In addition, the Election Form may, but is not required to, include a form of payment election as provided by Section 4.03 below. All Election Forms must also meet the requirements of Section 4.02 below.

4.02 Time and Manner of Deferral Election.

(a) Deferrals of Monetary Fees. Except as set forth below, an Eligible Director must make a deferral election for a Plan Year with respect to Monetary Fees by November 30th of the Plan Year preceding the Plan Year in which the services are performed for which the Monetary Fees would otherwise be paid. An individual who newly becomes an Eligible Director (and who was not previously an Eligible Director during prior Plan Years and was not eligible to participate in any plan of the Company

that would be aggregated with the Plan under Reg. 1.409A-1(c)) will have 30 days from the date the individual becomes an Eligible Director to make an election with respect to compensation earned for payment periods that begin after the election is received (if this 30-day period ends later than the deadline under the preceding sentence).

(b) Deferrals of Stock Fees. Except as set forth below, an Eligible Director must make a deferral election for a Plan Year with respect to Stock Fees by November 30th of the Plan Year preceding the Plan Year in which the services are performed for which the Stock Fees are granted. To the extent it results in a later deferral deadline than applicable under the preceding two sentences, an individual who newly becomes an Eligible Director during a Plan Year (and who was not previously an Eligible Director during prior Plan Years and was not eligible to participate in any plan of the Company that would be aggregated with the Plan under Reg. 1.409A-1(c)) may make a deferral election with respect to his or her Stock Fees that relate to services to be performed after the date of the election so long as the deferral election is made within 30 days of the date the individual becomes an Eligible Director.

(c) General Provisions. A separate deferral election must be made by an Eligible Director for each category of compensation that is eligible for deferral. If an Eligible Director fails to file a properly completed and executed Election Form with the Plan Administrator's delegate by the prescribed time, he or she will be deemed to have elected not to defer any Monetary Fees or Stock Fees, as the case may be, for the applicable Plan Year. An election is irrevocable once received and determined by the delegate of the Plan Administrator to be properly completed. Increases or decreases in the amount or percentage a Participant elects to defer shall not be permitted once an election has become irrevocable. Notwithstanding the preceding provisions of this Section, to the extent necessary because of circumstances beyond the control of the Eligible Director and in the interests of orderly Plan administration (or to avoid undue hardship to an Eligible Director), the Plan Administrator may grant an extension of any election period or may permit the complete revocation of an election, but such extension or revocation shall not permit an election or revocation to be made after the latest time permissible for initial elections under Section 409A.

(d) Beneficiaries. To be considered complete, the first Election Form filed by a Participant shall designate the Beneficiary to receive payment, in the event of his or her death, of the amounts credited to his or her applicable Deferral Subaccounts. Any Beneficiary designation made on a subsequent Election Form or through a separate Beneficiary designation shall apply on an aggregate basis to all of a Participant's Deferral Subaccounts. However, a Participant's Beneficiary designation shall only be effective if it is signed by the Participant and filed with the Plan Administrator's delegate prior to the Participant's death, and if it meets such other standards as the Plan Administrator's delegate shall require from time to time. A Beneficiary is paid in accordance with the terms of a Participant's Election Form, as interpreted by the Plan Administrator's delegate in accordance with the terms of this Plan.

4.03 Form of Payment Election.

An Eligible Director making a deferral election of Monetary Fees and/or Stock Fees may (but is not required to) specify a form of payment on his or her Election Form by designating either a lump sum payment or installment payments for 5, 10, 15 or 20 years. Such form of payment election shall be applicable to the amounts deferred in the related Monetary Fee and/or Stock Fees deferral election. If an Eligible Director elects installment payments, the Eligible Director shall also specify whether installments should be paid quarterly, semi-annually or annually. If an Eligible Director fails to make a form of payment election for Monetary Fees and/or Stock Fees under this Section 4.03, his or her form of payment shall be as provided in Section 6.02.

4.04 Subsequent Revisions to Form of Payment.

An Eligible Director may make an election to revise the form of payment that applies to previously deferred Monetary Fees and Stock Fees in accordance with this section. An election made under this section must be made at least 12 months prior to the date of the first scheduled payment and the election shall not be effective for 12 months after it is made. So long as a Participant qualifies under this section to change his or her form of payment, there is no limit on the number of elections that may be made under this section. Any form of payment elected under this section must be authorized and available to the Participant under the terms of Section 4.03. This section shall not apply to a Beneficiary.

ARTICLE V - INTERESTS OF PARTICIPANTS

5.01 Accounting for Participants' Interests.

Each Participant shall have at least one separate Deferral Subaccount for each separate deferral of Monetary Fees and Stock Fees made by the Participant under this Plan. However, the Plan Administrator's delegate may also combine Deferral Subaccounts to the extent it deems separate accounts are not needed for sound recordkeeping. A Participant's deferral of Monetary Fees shall be credited to his or her Account as soon as practicable following the date when the compensation would have been paid or considered paid to the Participant in the absence of its deferral. A Participant's deferral of Stock Fees shall be credited to his or her Account as soon as practicable following the date when the related stock would be issued (if the deferral occurs prior to issuance) or when the related stock is no longer issued as a result of the deferral (if the deferral occurs after issuance in accordance with Section 4.02(b)(2)). A Participant's Account is a bookkeeping device to track the value of his or her deferrals (and the Company's liability

therefor). No assets shall be reserved or segregated in connection with any Account, and no Account shall be insured or otherwise secured.

5.02 Phantom Investment of the Monetary Fee Subaccount.

(a) Phantom Investment Options. The phantom investment options that are available under this Plan for a Participant's Monetary Fee Subaccount shall be the following Janus retail mutual funds: (i) Janus Money Market Fund, (ii) Janus Flexible Income Fund, (iii) Janus Balance Fund, (iv) Janus Global Opportunities Fund, (v) Janus Mid Cap Value Fund, (vi) Janus Fund, (vii) Janus Overseas Fund, and (viii) Janus Small Cap Value Fund (elections into the Janus Small Cap Value Fund are only available for existing Participants in such fund). An amount deferred or transferred into one of these options is converted to phantom units of equivalent value by dividing such amount by the value of a unit in such fund on the date as of which the amount is treated as invested in this option by the Plan Administrator. Thereafter, a Participant's interest in each such phantom option is valued as of a Valuation Date by multiplying the number of phantom units credited to his or her Account on such date by the value of a unit in the applicable fund on such date. The Plan Administrator may discontinue any phantom investment option with respect to some or all Monetary Fee Subaccount, and it may provide rules for transferring a Participant's phantom investment from the discontinued option to a specified replacement option (unless the Participant selects another replacement option in accordance with such requirements as the Plan Administrator may apply). The addition of any new phantom investment option by the Plan Administrator shall comply with Section 409A.

(b) Phantom Investment Options Directions. In connection with an Eligible Director's first deferral Election Form submitted under the Plan, the Eligible Director shall specify in one (1) percent increments how his or her Monetary Fee deferrals are to be invested in one or more of the phantom investment options offered under this section. Thereafter, the Eligible Director - (i) may specify a different investment direction that shall apply to his or her future Monetary Fee deferrals, and (ii) may reallocate the investment of his or her existing Monetary Fee Subaccount by specifying, in one (1) percent increments, how such amounts are to be invested among the phantom investment options then offered under the Plan. The Plan Administrator may provide that such initial allocations or reallocations are to be made in a different increment specified by the Plan Administrator. A new investment direction for future Monetary Fee deferrals and a reallocation of a Participant's existing Monetary Fee Subaccount shall be made using the investment procedures that are provided by the Plan Administrator's delegate for this purpose. This procedure may include the use of written or electronic forms, as well as the use of a voice-response system, as determined by the Plan Administrator's delegate.

(c) Phantom Investment Options Reallocations. Any investment reallocation of a Participant's existing Monetary Fee Subaccount that is permitted by subsection (b) shall be effective as of the next Valuation Date that occurs at least 30 days after the date

the investment reallocation is received by the Plan Administrator's delegate. If more than one reallocation is received on a timely basis, the reallocation that the Plan Administrator's delegate determines to be the most recent shall be followed.

(d) Direction and Reallocation Default Rules. If the Plan Administrator's delegate possesses at any time investment directions as to the phantom investment of less than all of a Participant's Monetary Fee Subaccount, the Participant shall be deemed to have directed that the undesignated portion of the Monetary Fee Subaccount be invested in a money market phantom investment option offered under the Plan (or if no money market investment option is offered, the investment option that most nearly resembles a money market investment option).

(e) Earnings or Losses. As of each Valuation Date, a Participant's Monetary Fee Subaccount shall be credited with earnings and gains (and shall be debited for expenses and losses) determined as if the amounts credited to his or her Monetary Fee Subaccount had actually been invested as directed by the Participant in accordance with this Article. The Plan provides only for "phantom investments," and therefore such earnings, gains, expenses and losses are hypothetical and not actual. However, they shall be applied to measure the value of a Participant's Monetary Fee Subaccount and the amount of the Company's liability to make deferred payments to or on behalf of the Participant.

5.03 Phantom Investment of Stock Fee Subaccount.

(a) Phantom Investment in Stock. Deferrals held in a Stock Fee Subaccount shall be invested in phantom Company stock. Stock Fees deferred into this phantom option are converted using a one-to-one ratio to an equivalent number of phantom units of Stock. Thereafter, the value of the phantom units shall be determined from time to time under subsection (c) below.

(b) Dividend Equivalents. A Participant's Stock Fee Subaccount shall also be credited with Dividend Equivalents as provided in this subsection. Dividend Equivalents paid in Stock shall be converted using a one-to-one ratio to an equivalent number of phantom units of Stock (with any fractional share being converted to a fractional unit), and thereafter shall be credited to the Participant's Stock Fee Subaccount. Dividend Equivalents paid in cash or other property shall be converted into phantom units of Stock (or a fraction of a unit) by dividing the amount of the cash or the value of the other property by the Fair Market Value of a share of Stock on the date as of which the phantom units are to be credited to the Participant's Stock Fee Subaccount. Thereafter, the value of the phantom units credited under this subsection shall be determined from time to time under subsection (c) below.

(c) Valuation of Phantom Stock. A Participant's interest in phantom Company stock shall be valued as of a Valuation Date by multiplying the number of phantom units credited to his or her Stock Fee Subaccount on such date by the Fair Market Value of a share of Stock on such date. If shares of Stock change by reason of any stock split, stock dividend, recapitalization, merger, consolidation, spin-off, combination or exchange of shares or other any other corporate change treated as subject to this provision by the Plan Administrator, such equitable adjustment shall be made in the number and kind of phantom units credited to the Stock Fee Subaccount as the Plan Administrator may determine to be necessary or appropriate. In no event will shares of Stock actually be purchased or held under this Plan, and no Participant shall have any rights as a shareholder of Stock on account of an interest in this phantom investment option.

5.04 Vesting of a Participant's Account.

A Participant's interest in the value of his or her Account shall at all times be 100 percent vested, which means that it will not forfeit as a result of his or her Separation from Service. However, a Participant's right to be paid by the Company remains subject to the claims of the general creditors of the Company.

ARTICLE VI - DISTRIBUTIONS

6.01 General.

A Participant's Account shall be distributed as provided in this Article. In no event shall any portion of a Participant's Account be distributed earlier than is allowed under Section 409A.

6.02 Distribution of Monetary Fee Subaccount Upon Separation from Service.

A Participant's Monetary Fee Subaccount shall be distributed upon the occurrence of a Participant's Separation from Service based on the terms and conditions of this section.

(a) Distribution of Monetary Fee Subaccount. Subject to subsection (c), upon a Participant's Separation from Service, the value of the Participant's Monetary Fee Subaccount shall be distributed (in accordance with subsection (b)) as soon as practicable after the occurrence of the first Distribution Date that follows his or her Separation from Service (but in no event later than the later of December 31st of the year that includes such Distribution Date and 2 ½ months following such Distribution Date).

(b) Form of Distribution. Subject to subsection (c), if the Participant has made a form of payment election (i.e., lump sum or installments) pursuant to Section 4.03, then

distribution of the Participant's Monetary Fee Subaccount shall be made pursuant to such form of payment election. If the Participant has not made a form of payment election or if the Participant's election is not valid, then the Participant's Monetary Fee Subaccount shall be distributed as follows:

(1) If the total balance of the Participant's Monetary Fee Subaccount, as of the first Distribution Date next following the Separation from Service, is less than the applicable dollar amount under Section 402(g)(1)(B) of the Code, the Participant's Monetary Fee Subaccount shall be distributed to the Participant as a single lump sum as soon as practicable after the first Distribution Date that follows the Participant's Separation from Service (but in no event later than the later of December 31st of the year that includes such Distribution Date and 2 ½ months following such Distribution Date); or

(2) If the total balance of the Participant's Monetary Fee Subaccount, as of the first Distribution Date next following the Separation from Service, is is more than the applicable dollar amount under Section 402(g)(1)(B) of the Code, the participant's Monetary Fee Subaccount shall be distributed in annual installments over a period of 5 years with the first installment being paid as soon as practicable after the first Distribution Date that follows the Participant's Separation from Service (but in no event later than the later of December 31st of the year that includes such Distribution Date and 2 ½ months following such Distribution Date).

All payments shall be made in cash, unless the Plan Administrator makes an advance determination, in its discretion, to settle deferrals in units of the mutual funds in which the Participant was invested on a phantom basis at the time such distribution is processed.

(c) Special Rule for Key Employees. If the Participant is a Key Employee as of December 31st of the year prior to the year in which the Participant's Separation from Service occurs, then no distribution may be made before the date which is 6 months after the date of the Participant's Separation from Service (or, if earlier, the date of death of the Participant).

6.03 Distribution of Stock Fee Subaccount Upon Separation from Service.

A Participant's Stock Fee Subaccount shall be distributed upon the occurrence of a Participant's Separation from Service based on the terms and conditions of this section.

(a) Distribution of Stock Fee Subaccount. Subject to subsection (c) below, upon a Participant's Separation from Service, the value of the Participant's Stock Fee

Subaccount shall be distributed (in accordance with subsection (b)) as soon as practicable after the occurrence of the first Distribution Date that follows his or her Separation from Service (but in no event later than the later of December 31st of the year that includes such Distribution Date and 2 ½ months following such Distribution Date).

(b) Form of Distribution. Subject to subsection (c) below, if the Participant has made a form of payment election (i.e., lump sum or installments) pursuant to Section 4.03, then distribution of the Participant's Stock Fee Subaccount shall be made pursuant to such form of payment election. Such distribution shall be accomplished by converting the number of the Participant's phantom units credited to his or her Stock Fee Subaccount into an equivalent number of shares of Stock using a one-to-one ratio. Notwithstanding the preceding, any fractional stock unit credited to the Participant's Stock Fee Subaccount shall be distributed as cash. If the Participant has not made a form of payment election or if the Participant's election is not valid, then the Participant's Stock Fee Subaccount shall distributed to the Participant in one lump sum in the form of shares of Stock on the first Distribution Date following that follows his or her Separation from Service (but in no event later than the later of December 31st of the year that includes such Distribution Date and 2 ½ months following such Distribution Date).

(c) Special Rule for Key Employees. If the Participant is a Key Employee as of December 31st of the year prior to the year in which the Participant's Separation from Service occurs, then no distribution may be made before the date which is 6 months after the date of the Participant's Separation from Service (or, if earlier, the date of death of the Participant).

6.04 Distributions on Account of Death.

Subject to the next sentence, upon a Participant's death, his or her Beneficiary shall be paid each Deferral Subaccount still standing to the Participant's credit under the Plan on the first Distribution Date occurring in the year after the Participant's death, provided that the Plan Administrator's has received notification of the Participant's death. Any claim to be paid any amounts standing to the credit of a Participant in connection with the Participant's death must be received by the Plan Administrator at least 14 days before any such amount is paid out by the Plan Administrator. Any claim received thereafter is untimely, and it shall be unenforceable against the Plan, the Company, the Plan Administrator, the Plan Administrator's delegate or any other party acting for one or more of them.

6.05 Acceleration of Payments.

Pursuant to the rules and provisions of this section, payment of one or more specific deferrals may be made earlier than specified in Sections 6.02 and 6.03.

(a) Disability Payments. If the Plan Administrator determines that a Participant is suffering from a Disability, the Participant's Account shall be distributed in a lump sum as soon as practicable after the first Distribution Date following such determination.

(b) Unforeseeable Emergency. If a Participant believes an Unforeseeable Emergency has occurred, the Participant or Beneficiary may file a written request with the Plan Administrator for accelerated payment of all or a portion of the amount credited to his or her Account. After a Participant has filed a written request pursuant to this subsection, along with all supporting material, the Plan Administrator's delegate shall determine within 60 days (or such other number of days that is necessary if special circumstances warrant additional time) whether the Participant meets the criteria for an Unforeseeable Emergency. If the Plan Administrator's delegate determines that an Unforeseeable Emergency has occurred, the Participant or Beneficiary shall receive a distribution from his or her Account as soon as administratively practicable. However, such distribution shall not exceed the dollar amount necessary to satisfy the Unforeseeable Emergency plus amounts necessary to pay taxes reasonably anticipated as a result of the distribution, after taking into account the extent to which the Unforeseeable Emergency is or may be relieved through reimbursement or compensation by insurance or otherwise or by liquidation of the Participant's assets (to the extent the liquidation of such assets would not itself cause severe financial hardship).

6.06 Valuation.

In determining the amount of any individual distribution pursuant to this Article, the Participant's Deferral Subaccount shall continue to be credited with earnings and gains (and debited for expenses and losses) as specified in Article V until the Valuation Date preceding the distribution. In determining the value of a Participant's remaining Monetary Fee Subaccount following an installment distribution, such installment distribution shall reduce the value of the Participant's Monetary Fee Subaccount as of the close of the Valuation Date preceding the payment date for such installment. The amount to be distributed in connection with any installment payment shall be determined by dividing the value of a Participant's Monetary Fee Subaccount as of such preceding Valuation Date (determined without application of the preceding sentence of this section) by the remaining number of installments to be paid with respect to the Monetary Fee Subaccount.

ARTICLE VII - PLAN ADMINISTRATION

7.01 Plan Administrator.

The Plan Administrator is responsible for the administration of the Plan. The Plan Administrator has the authority to name one or more delegates to carry out certain responsibilities hereunder. Any such delegation shall state the scope of responsibilities being delegated.

7.02 Action.

Action by the Plan Administrator may be taken in accordance with procedures that the Plan Administrator adopts from time to time or that the Company's Law Department determines are legally permissible.

7.03 Powers of the Plan Administrator.

The Plan Administrator shall administer and manage the Plan and shall have (and shall be permitted to delegate) all powers necessary to accomplish that purpose, including (but not limited to) the following:

(a) To exercise its discretionary authority to construe, interpret, and administer this Plan;

(b) To exercise its discretionary authority to make all decisions regarding eligibility, participation and deferrals, to make allocations and determinations required by this Plan, and to maintain records regarding Participants' Accounts;

(c) To compute and certify to the Company the amount and kinds of payments to Participants or their Beneficiaries, and to determine the time and manner in which such payments are to be paid;

(d) To authorize all disbursements by the Company pursuant to this Plan;

(e) To maintain (or cause to be maintained) all the necessary records for administration of this Plan;

(f) To make and publish such rules for the regulation of this Plan as are not inconsistent with the terms hereof;

(g) To authorize its delegates to delegate to other individuals or entities from time to time the performance of any of its delegates' duties or responsibilities hereunder;

(h) To establish or to change the phantom investment options or arrangements under Article V;

(i) To hire agents, accountants, actuaries, consultants and legal counsel to assist in operating and administering the Plan; and

(j) Notwithstanding any other provision of this Plan, the Plan Administrator may take any action it deems appropriate in furtherance of any policy of the Company respecting insider trading as may be in effect from time to time. Such actions may include, but are not limited to, altering the effective date of allocations or distributions of Accounts or Deferral Subaccounts.

The Plan Administrator has the exclusive and discretionary authority to construe and to interpret the Plan, to decide all questions of eligibility for benefits, to determine the amount and manner of payment of such benefits and to make any determinations that are contemplated by (or permissible under) the terms of this Plan, and its decisions on such matters will be final and conclusive on all parties. Any such decision or determination shall be made in the absolute and unrestricted discretion of the Plan Administrator, even if (1) such discretion is not expressly granted by the Plan provisions in question, or (2) a determination is not expressly called for by the Plan provisions in question, and even though other Plan provisions expressly grant discretion or call for a determination. As a result, benefits under this Plan will be paid only if the Plan Administrator decides in its discretion that the applicant is entitled to them. In the event of a review by a court, arbitrator or any other tribunal, any exercise of the Plan Administrator's discretionary authority shall not be disturbed unless it is clearly shown to be arbitrary and capricious.

7.04 Compensation, Indemnity and Liability.

The Plan Administrator will serve without bond and without compensation for services hereunder. All expenses of the Plan and the Plan Administrator will be paid by the Company. To the extent deemed appropriate by the Plan Administrator, any such expense may be charged against specific Participant Accounts, thereby reducing the obligation of the Company. No member of the Plan Committee, and no individual acting as the delegate of the Plan Committee, shall be liable for any act or omission of any other member or individual, nor for any act or omission on his or her own part, excepting his or her own willful misconduct. The Company will

indemnify and hold harmless each member of the Plan Committee and any employee of the Company (or an affiliate, if recognized as an affiliate for this purpose by the Plan Administrator) acting as the delegate of the Plan Committee against any and all expenses and liabilities, including reasonable legal fees and expenses, arising out of his or her membership on the Plan Committee (or his or her serving as the delegate of the Committee), excepting only expenses and liabilities arising out of his or her own willful misconduct.

7.05 Taxes.

If the whole or any part of any Participant's Account becomes liable for the payment of any estate, inheritance, income, employment, or other tax which the Company may be required to pay or withhold, the Company will have the full power and authority to withhold and pay such tax out of any moneys or other property in its hand for the account of the Participant. To the extent practicable, the Company will provide the Participant notice of such withholding. Prior to making any payment, the Company may require such releases or other documents from any lawful taxing authority as it shall deem necessary.

7.06 Conformance with Section 409A.

At all times during each Plan Year, this Plan shall be operated in accordance with the requirements of Section 409A. Any action that may be taken (and, to the extent possible, any action actually taken) by the Plan Administrator or the Company shall not be taken (or shall be void and without effect), if such action violates the requirements of Section 409A. Any provision in this Plan document that is determined to violate the requirements of Section 409A shall be void and without effect. In addition, any provision that is required to appear in this Plan document that is not expressly set forth shall be deemed to be set forth herein, and the Plan shall be administered in all respects as if such provision were expressly set forth.

ARTICLE VIII - CLAIMS PROCEDURES

8.01 Claims for Benefits.

If a Participant, Beneficiary or other person (hereafter, "Claimant") does not receive timely payment of any benefits which he or she believes are due and payable under the Plan, he or she may make a claim for benefits to the Plan Administrator. The claim for benefits must be in writing and addressed to the Plan Administrator. If the claim for benefits is denied, the Plan Administrator will notify the Claimant within 90 days after the Plan Administrator initially received the benefit claim. However, if special circumstances require an extension of time for processing the claim, the Plan Administrator will furnish notice of the extension to the Claimant prior to the termination of the initial 90-day period and such extension may not exceed one additional, consecutive 90-day period. Any notice of a denial of benefits should advise the

Claimant of the basis for the denial, any additional material or information necessary for the Claimant to perfect his or her claim, and the steps which the Claimant must take to appeal his or her claim for benefits.

8.02 Appeals of Denied Claims.

Each Claimant whose claim for benefits has been denied may file a written appeal for a review of his or her claim by the Plan Administrator. The request for review must be filed by the Claimant within 60 days after he or she received the notice denying his or her claim. The decision of the Plan Administrator will be communicated to the Claimant within 60 days after receipt of a request for appeal. The notice shall set forth the basis for the Plan Administrator's decision. If there are special circumstances which require an extension of time for completing the review, the Plan Administrator's decision may be rendered not later than 120 days after receipt of a request for appeal.

8.03 Special Claims Procedures for Disability Determinations.

If the claim or appeal of the Claimant relates to Disability benefits, such claim or appeal shall be processed pursuant to the applicable provisions of Department of Labor Regulation section 2560.503-1 relating to Disability benefits, including sections 2560.503-1(d), 2560.503-1(f)(3), 2560.503-1(h)(4) and 2560.503-1(i)(3).

ARTICLE IX - AMENDMENT AND TERMINATION

9.01 Amendments.

The applicable committee of the Board has the right in its sole discretion to amend this Plan in whole or in part at any time and in any manner, including the manner of making deferral elections, the terms on which distributions are made, and the form and timing of distributions, provided that such amendments do not cause the Plan to fail to comply with Section 409A. However, except for mere clarifying amendments necessary to avoid an inappropriate windfall, no Plan amendment shall reduce the amount credited to the Account of any Participant as of the date such amendment is adopted. Any amendment shall be in writing and adopted by the committee. All Participants and Beneficiaries shall be bound by such amendment.

9.02 Termination of Plan.

The Company expects to continue this Plan, but does not obligate itself to do so. The Company, acting by the committee specified in Section 9.01 or through its Board, reserves the right to discontinue and terminate the Plan at any time, in whole or in part, for any reason

(including a change, or an impending change, in the tax laws of the United States or any State), provided that such termination is done in compliance with Section 409A. Termination of the Plan will be binding on all Participants and their Beneficiaries, but in no event may such termination reduce the amounts credited at that time to any Participant's Account. If this Plan is terminated (in whole or in part), the termination resolution shall provide for how amounts theretofore credited to affected Participants' Accounts will be distributed. In accordance with these restrictions, the Company intends to have the maximum discretionary authority to terminate the Plan and make distributions in connection with a Change in Control, and the maximum flexibility with respect to how and to what extent to carry this out following a Change in Control, as is permissible under Section 409A.

ARTICLE X - MISCELLANEOUS

10.01 Limitation on Participant's Rights.

Participation in this Plan does not give any Participant the right to be retained in the service of the Company (or any right or interest in this Plan or any assets of the Company other than as herein provided). The Company reserves the right to terminate the service of any Participant without any liability for any claim against the Company under this Plan, except for a claim for payment of deferrals as provided herein.

10.02 Unfunded Obligation of Company.

The benefits provided by this Plan are unfunded. All amounts payable under this Plan to Participants are paid from the general assets of the Company. Nothing contained in this Plan requires the Company to set aside or hold in trust any amounts or assets for the purpose of paying benefits to Participants. Neither a Participant, Beneficiary, nor any other person shall have any property interest, legal or equitable, in any specific Company asset. This Plan creates only a contractual obligation on the part of the Company, and the Participant has the status of a general unsecured creditor of this Company with respect to amounts of compensation deferred hereunder. Such a Participant shall not have any preference or priority over, the rights of any other unsecured general creditor of the Company. No other entity guarantees or shares such obligation, and no other entity shall have any liability to the Participant or his or her Beneficiary.

10.03 Other Plans.

This Plan shall not affect the right of any Eligible Director or Participant to participate in and receive benefits under and in accordance with the provisions of any other benefit plans which are now or hereafter maintained by the Company, unless the terms of such other benefit plan or plans specifically provide otherwise or it would cause such other plan to violate a

requirement for tax favored treatment (or it would cause this Plan or such other plan to fail to comply with Section 409A).

10.04 Receipt or Release.

Any payment to a Participant in accordance with the provisions of this Plan shall, to the extent thereof, be in full satisfaction of all claims against the Plan Administrator and the Company, and the Plan Administrator may require such Participant, as a condition precedent to such payment, to execute a receipt and release to such effect (provided that, to the extent the Company or the Plan Administrator require a Participant to execute a release, the release requirement shall be structured in a manner that complies with Section 409A).

10.05 Governing Law.

This Plan shall be construed, administered, and governed in all respects in accordance with applicable federal law and, to the extent not preempted by federal law, in accordance with the laws of the State of Delaware (other than its laws relating to choice of law). If any provisions of this instrument shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions hereof shall continue to be fully effective.

10.06 Gender, Tense and Examples.

In this Plan, whenever the context so indicates, the singular or plural number and the masculine, feminine, or neuter gender shall be deemed to include the other. Whenever an example is provided or the text uses the term “including” followed by a specific item or items, or there is a passage having a similar effect, such passage of the Plan shall be construed as if the phrase “without limitation” followed such example or term (or otherwise applied to such passage in a manner that avoids limitation on its breadth of application).

10.07 Successors and Assigns; Nonalienation of Benefits.

This Plan inures to the benefit of and is binding upon the parties hereto and their successors, heirs and assigns; provided, however, that the amounts credited to the Account of a Participant are not subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution or levy of any kind, either voluntary or involuntary, and any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, charge or otherwise dispose of any right to any benefits payable hereunder, including, any assignment or alienation in connection with a separation, divorce, child support or similar arrangement, will be null and void and not binding on the Plan or the Company. Notwithstanding the foregoing, the Plan Administrator reserves the right to make payments in accordance with a divorce decree, judgment or other court order as and when cash payments are made in

accordance with the terms of this Plan from the Deferral Subaccount of a Participant. Any such payment shall be charged against and reduce the Participant's Account.

10.08 Facility of Payment.

Whenever, in the Plan Administrator's opinion, a Participant or Beneficiary entitled to receive any payment hereunder is under a legal disability or is incapacitated in any way so as to be unable to manage his or her financial affairs, the Plan Administrator may direct the Company to make payments to such person or to the legal representative of such person for his or her benefit, or to apply the payment for the benefit of such person in such manner as the Plan Administrator considers advisable. Any payment in accordance with the provisions of this section shall be a complete discharge of any liability for the making of such payment to the Participant or Beneficiary under the Plan.

Exhibit 31.1

CERTIFICATION

I, Gary D. Black, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Janus Capital Group Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 23, 2008

/s/ Gary D. Black
Gary D. Black
Chief Executive Officer

A signed original of this written statement required by Section 302 has been provided to Janus Capital Group Inc. and will be retained by Janus Capital Group Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 31.2

CERTIFICATION

I, Gregory A. Frost, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Janus Capital Group Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 23, 2008

Gregory A. Frost

Gregory A. Frost
Executive Vice President and
Chief Financial Officer

A signed original of this written statement required by Section 302 has been provided to Janus Capital Group Inc. and will be retained by Janus Capital Group Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Janus Capital Group Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2008, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Gary D. Black, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Gary D. Black
Gary D. Black
Chief Executive Officer

Date: October 23, 2008

A signed original of this written statement required by Section 906 has been provided to Janus Capital Group Inc. and will be retained by Janus Capital Group Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Janus Capital Group Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2008, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Gregory A. Frost, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Gregory A. Frost
Gregory A. Frost
Executive Vice President and
Chief Financial Officer

Date: October 23, 2008

A signed original of this written statement required by Section 906 has been provided to Janus Capital Group Inc. and will be retained by Janus Capital Group Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 99.1

Janus Investment Fund ("JIF")

			Lipper Rankings Based on Total Returns as of 9/30/08									
			1-Year		3-Year		5-Year		10-Year		Since PM Inception	
	PM Inception	Lipper Category	Percentile Rank (%)	Rank / Total Funds	Percentile Rank (%)	Rank / Total Funds	Percentile Rank (%)	Rank / Total Funds	Percentile Rank (%)	Rank / Total Funds	Percentile Rank (%)	Rank / Total Funds
Growth Funds												
Janus Twenty Fund [1]	Jan-08	Large-Cap Growth Funds	15	112 / 769	1	1 / 652	1	1 / 538	11	28 / 255	‡	
Janus Fund	Oct-07	Large-Cap Growth Funds	57	436 / 769	29	184 / 652	34	181 / 538	46	117 / 255	‡	
Janus Orion Fund	Dec-07	Multi-Cap Growth Funds	44	220 / 509	2	6 / 382	1	1 / 325	—	—	‡	
Janus Research Fund	Jan-06	Large-Cap Growth Funds	66	504 / 769	14	87 / 652	7	36 / 538	9	21 / 255	15	98 / 673
Janus Enterprise Fund	Oct-07	Mid-Cap Growth Funds	12	70 / 611	5	23 / 525	3	12 / 421	50	96 / 192	‡	
Janus Venture Fund [1]	Jan-01	Small-Cap Growth Funds	93	555 / 597	48	233 / 494	34	133 / 399	50	97 / 195	33	97 / 297
Janus Triton Fund	Jun-06	Small-Cap Growth Funds	40	236 / 597	5	22 / 494	—	—	—	—	3	15 / 526
Core Funds												
Janus Contrarian Fund	Feb-00	Multi-Cap Core Funds	85	691 / 815	4	25 / 638	1	1 / 465	—	—	10	24 / 247
Janus Growth and Income Fund	Nov-07	Large-Cap Core Funds	95	801 / 850	94	669 / 716	55	329 / 600	24	81 / 339	‡	
Janus Balanced Fund	Apr-05	Mixed-Asset Target Alloc. Mod. Funds	7	32 / 498	3	9 / 362	7	16 / 244	5	7 / 139	2	6 / 351
Janus Fundamental Equity Fund	Nov-07	Large-Cap Core Funds	81	684 / 850	63	449 / 716	10	56 / 600	8	26 / 339	‡	
INTECH Risk-Managed Stock Fund	Feb-03	Multi-Cap Core Funds	19	148 / 815	54	340 / 638	17	78 / 465	—	—	28	120 / 441
Global/International Funds												
Janus Overseas Fund [1]	Jun-03	International Funds	85	969 / 1150	1	5 / 829	1	4 / 684	6	19 / 340	1	4 / 664
Janus Worldwide Fund	Jun-04	Global Funds	85	387 / 458	77	270 / 352	98	270 / 277	88	115 / 131	89	262 / 296
Janus Global Life Sciences Fund	Apr-07	Global Healthcare/Biotechnology Funds	20	12 / 60	35	19 / 54	8	4 / 49	—	—	12	7 / 60
Janus Global Technology Fund	Jan-06	Global Science & Technology Funds	2	1 / 95	17	15 / 90	27	21 / 78	—	—	17	15 / 90
Janus Global Research Fund	Feb-05	Global Funds	48	219 / 458	8	25 / 352	—	—	—	—	3	8 / 321
Janus Global Opportunities Fund	Jun-01	Global Funds	59	268 / 458	63	222 / 352	77	213 / 277	—	—	19	38 / 205
Value Funds												
Janus Mid Cap Value Fund - Inv(2)	Aug-98	Mid-Cap Value Funds	3	8 / 359	2	5 / 275	8	16 / 209	3	2 / 73	3	2 / 68
Janus Small Cap Value Fund - Inv.(1,2)	Feb-97	Small-Cap Core Funds	2	8 / 796	8	50 / 633	18	87 / 493	14	28 / 204	9	10 / 122
Income Funds												
Janus Flexible Bond Fund	May-07	Intermediate Investment Grade Debt	5	27 / 565	5	22 / 462	11	40 / 395	22	43 / 198	10	50 / 537
Janus High-Yield Fund	Dec-03	High Current Yield Funds	27	122 / 466	22	83 / 390	39	130 / 338	19	34 / 185	31	104 / 343
Janus Short-Term Bond Fund	May-07	Short Investment Grade Debt	7	18 / 261	7	14 / 211	8	14 / 174	13	11 / 84	11	27 / 259
Asset Allocation Funds												
Janus Smart Portfolio-Growth	Dec-05	Mixed-Asset Target Alloc. Growth Funds	72	477 / 663	—	—	—	—	—	—	7	36 / 559
Janus Smart Portfolio-Moderate	Dec-05	Mixed-Asset Target Alloc. Mod. Funds	49	244 / 498	—	—	—	—	—	—	9	31 / 384
Janus Smart Portfolio-Conservative	Dec-05	Mixed-Asset Target Alloc. Cons. Funds	46	204 / 446	—	—	—	—	—	—	4	13 / 341

Please consider the charges, risks, expenses and investment objectives carefully before investing. For a prospectus containing this and other information, please call Janus at 1-800-525-1068 or download the file from janus.com. Read it carefully before you invest or send money.

Lipper Inc. – A Reuters Company, is a nationally recognized organization that ranks the performance of mutual funds within a universe of funds that have similar investment objectives. Rankings are historical with capital gains and dividends reinvested. If an expense waiver was in effect, it may have had a material effect on the total return or yield for the period.

Data presented reflects past performance, which is no guarantee of future results.

Notes:

(1) Closed to new investors.
(2) Ranking is for the investor share class only; other classes may have different performance characteristics.
‡ The Fund's since PM-Inception ranking is not available.

Janus Adviser Series ("JAD") Class S Shares

			Lipper Rankings Based on Total Returns as of 9/30/08									
			1-Year		3-Year		5-Year		10-Year		Since PM Inception	
	PM Inception	Lipper Category	Percentile Rank (%)	Rank / Total Funds	Percentile Rank (%)	Rank / Total Funds	Percentile Rank (%)	Rank / Total Funds	Percentile Rank (%)	Rank / Total Funds	Percentile Rank (%)	Rank / Total Funds
Growth Funds												
Forty Fund	Jan-08	Large-Cap Growth Funds	23	172 / 769	1	3 / 652	1	2 / 538	1	1 / 255	‡	
Mid Cap Growth Fund	Oct-07	Mid-Cap Growth Funds	10	58 / 611	5	26 / 525	4	13 / 421	52	99 / 192	‡	
Large Cap Growth Fund	Oct-07	Large-Cap Growth Funds	56	429 / 769	38	245 / 652	45	238 / 538	41	103 / 255	‡	
INTECH Risk-Managed Growth Fund	Jan-03	Multi-Cap Growth Funds	35	175 / 509	70	267 / 382	71	231 / 325	—	—	77	234 / 306
Orion Fund	Dec-07	Mid-Cap Growth Funds	43	258 / 611	3	12 / 525	—	—	—	—	‡	
Small-Mid Growth Fund	Jun-06	Small-Cap Growth Funds	46	273 / 597	6	25 / 494	—	—	—	—	5	22 / 526
Core Funds												
Balanced Fund	Apr-05	Mixed-Asset Target Alloc. Mod. Funds	7	30 / 498	4	12 / 362	9	20 / 244	3	4 / 139	3	9 / 351
Growth and Income Fund	Nov-07	Large-Cap Core Funds	97	819 / 850	97	692 / 716	73	437 / 600	14	45 / 339	‡	
Fundamental Equity Fund	Nov-07	Large-Cap Core Funds	79	667 / 850	63	446 / 716	11	64 / 600	8	24 / 339	‡	
Small Company Value Fund	Mar-02	Small-Cap Core Funds	59	465 / 796	36	226 / 633	50	244 / 493	—	—	24	99 / 414
INTECH Risk-Managed Core Fund	Jan-03	Multi-Cap Core Funds	20	159 / 815	57	360 / 638	19	86 / 465	—	—	25	107 / 432
Contrarian Fund	Aug-05	Multi-Cap Core Funds	85	687 / 815	12	75 / 638	—	—	—	—	3	15 / 629
Global/International/ Funds												
International Growth Fund (1)	Jun-03	International Funds	56	636 / 1150	1	2 / 829	1	3 / 684	6	18 / 340	1	3 / 664
Worldwide Fund	Jun-04	Global Funds	85	389 / 458	83	292 / 352	99	273 / 277	85	111 / 131	91	269 / 296
International Equity Fund	Nov-06	International Funds	13	147 / 1150	—	—	—	—	—	—	8	71 / 1010
INTECH Risk-Managed International Fund	May-07	International Funds	38	429 / 1150	—	—	—	—	—	—	36	392 / 1105
Value Funds												
Mid Cap Value Fund	Dec-02	Mid-Cap Value Funds	3	8 / 359	1	2 / 275	9	17 / 209	—	—	13	26 / 202
INTECH Risk-Managed Value Fund	Dec-05	Multi-Cap Value Funds	29	117 / 416	—	—	—	—	—	—	35	116 / 334
Alternative Funds												
Long/Short Fund (1)	Aug-06	Long/Short Equity Funds	39	31 / 79	—	—	—	—	—	—	30	15 / 50
Income Funds												
Flexible Bond Fund	May-07	Intermediate Investment Grade Debt	5	25 / 565	8	34 / 462	16	61 / 395	21	41 / 198	9	44 / 537
Floating Rate High Income Fund	May-07	Loan Participation Funds	29	22 / 75	—	—	—	—	—	—	31	22 / 70
High-Yield Fund	Aug-05	High Current Yield	24	110 / 466	26	100 / 390	—	—	—	—	31	119 / 390

Rankings are for the Class S Shares only; other classes may have different performance characteristics.

Note:

(1) Closed to new investors.

‡ The Fund's since PM-Inception ranking is not available.

Janus Aspen Series ("JAS") Institutional Shares

			Lipper Rankings Based on Total Returns as of 9/30/08									
			1-Year		3-Year		5-Year		10-Year		Since PM Inception	
	PM Inception	Lipper Category	Percentile Rank (%)	Rank / Total Funds	Percentile Rank (%)	Rank / Total Funds	Percentile Rank (%)	Rank / Total Funds	Percentile Rank (%)	Rank / Total Funds	Percentile Rank (%)	Rank / Total Funds
Growth Funds												
Forty Portfolio	Jan-08	VA Large-Cap Growth	**24**	**49 / 207**	**1**	**1 / 192**	**1**	**1 / 177**	**2**	**1 / 61**	‡	
Large Cap Growth Portfolio	Oct-07	VA Large-Cap Growth	**42**	**86 / 207**	**20**	**38 / 192**	**40**	**70 / 177**	**54**	**33 / 61**	‡	
Mid Cap Growth Portfolio	Oct-07	VA Mid-Cap Growth	**11**	**15 / 147**	**3**	**3 / 135**	**5**	**6 / 121**	**40**	**16 / 40**	‡	
Core Funds												
Balanced Portfolio	Apr-05	VA Mixed-Asset Target Alloc Mod.	**8**	**11 / 154**	**2**	**2 / 110**	**7**	**5 / 78**	**7**	**3 / 48**	**1**	**1 / 100**
Growth and Income Portfolio	Nov-07	VA Large-Cap Core	**95**	**199 / 209**	**95**	**176 / 186**	**64**	**108 / 170**	**9**	**7 / 84**	‡	
Fundamental Equity Portfolio	Nov-07	VA Large-Cap Core	**80**	**166 / 209**	**74**	**137 / 186**	**13**	**22 / 170**	**5**	**4 / 84**	‡	
Global/International Funds												
Worldwide Growth Portfolio	Jun-04	VA Global	**86**	**93 / 108**	**80**	**65 / 81**	**96**	**70 / 72**	**84**	**31 / 36**	**90**	**70 / 77**
International Growth Portfolio (1)	Jun-03	VA International	**87**	**217 / 249**	**1**	**1 / 217**	**1**	**1 / 196**	**6**	**5 / 96**	**1**	**1 / 194**
Global Life Sciences Portfolio	Oct-04	VA Health/Biotechnology	**25**	**9 / 35**	**21**	**7 / 33**	**7**	**2 / 28**	**—**	**—**	**4**	**1 / 32**
Global Technology Portfolio	Jan-06	VA Science & Technology	**11**	**6 / 57**	**15**	**8 / 53**	**24**	**12 / 50**	**—**	**—**	**19**	**10 / 53**
Value Funds												
Mid Cap Value Portfolio	May-03	VA Mid-Cap Value	**2**	**1 / 73**	**2**	**1 / 66**	**2**	**1 / 54**	**—**	**—**	**2**	**1 / 53**
Income Funds												
Flexible Bond Portfolio	May-07	VA Intermediate Investment Grade Debt	**10**	**6 / 64**	**13**	**7 / 57**	**15**	**8 / 53**	**8**	**2 / 24**	**19**	**12 / 64**

Rankings are for the Institutional Shares only; other classes may have different performance characteristics.

Note:

(1) Closed to new investors.

‡ The Fund's since PM-Inception ranking is not available.

Please consider the charges, risks, expenses and investment objectives carefully before investing. For a prospectus containing this and other information, please call Janus at 1-800-525-1068 or download the file from janus.com. Read it carefully before you invest or send money.

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Data presented reflects past performance, which is no guarantee of future results.