

SECURITIES AND EXCHANGE COMMISSION

FORM S-8

Initial registration statement for securities to be offered to employees pursuant to employee benefit plans

Filing Date: **1994-03-18**
SEC Accession No. **0000899140-94-000015**

([HTML Version](#) on [secdatabase.com](#))

FILER

MATTEL INC /DE/

CIK: **63276** | IRS No.: **951567322** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **S-8** | Act: **33** | File No.: **033-52723** | Film No.: **94516622**
SIC: **3944** Games, toys & children's vehicles (no dolls & bicycles)

Business Address
333 CONTINENTAL BLVD
EL SEGUNDO CA 90245
3105244600

Registration No. 33-_____

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549FORM S-8
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933Mattel, Inc.
(Exact name of issuer as specified in its charter)Delaware
(State or other jurisdiction
of incorporation or organization) 95-1567322
(I.R.S. Employer
Identification Number)333 Continental Boulevard
El Segundo, California 90245-5012
(Address of Principal Executive Offices) (Zip Code)The Fisher-Price Long Term Incentive Plan of 1991
(Full title of the plan)N. Ned Mansour, Esq.
MATTEL, INC.
333 Continental Boulevard
El Segundo, California 90245-5012
(310) 524-3607
(Name and address of agent for service)
Telephone number, including area code, of agent for service

CALCULATION OF REGISTRATION FEE

<TABLE>

Title of securities to be registered	Amount to be registered (2)	Proposed maximum offering price per share (3)	Proposed maximum aggregate offering price (3)	Amount of registration fee
<S>	<C>	<C>	<C>	<C>
Common Stock, (\$1.00 Par	1,750,000	\$24.9375	\$43,640,625	\$15,048.49

</TABLE>

- (1) This Registration Statement relates to the Common Stock of the Company that may be granted under The Fisher-Price Long Term Incentive Plan of 1991. Shares of the Company's Common Stock are accompanied by the Registrant's Preference Share Purchase Rights (the "Rights") which, until the occurrence of any of certain prescribed events, are not exercisable, are evidenced by the certificate for the Common Stock and will be transferred along with and only with the Company's Common Stock. Upon the occurrence of such prescribed events, separate Rights certificates will be issued representing one Right for each share of Common Stock held, subject to adjustment pursuant to anti-dilution provisions.
- (2) This figure represents the aggregate number of shares of Common Stock, as presently constituted, of the Company being registered hereby that may be granted under The Fisher-Price Long Term Incentive Plan of 1991. There are also registered an undetermined number of additional shares of Common Stock that may be issued, in accordance with the terms of the Plan, in the event of any change in the outstanding shares of Common Stock of the Company, including a stock dividend or a stock split.
- (3) Estimated solely for calculating the amount of the registration fee and based on the average of the high and low prices at which shares of Common Stock of the Company were sold on March 11, 1994 (NYSE-Composite Transactions).

3

PART I

INFORMATION NOT REQUIRED
IN THE REGISTRATION STATEMENT

PART II

INFORMATION REQUIRED IN THE
REGISTRATION STATEMENT

Item 3. INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents, filed with the Securities and Exchange Commission (the "Commission") by Mattel, Inc., a Delaware corporation (the "Company"), are incorporated herein by reference:

- (a) The Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1992.
- (b) The Company's Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, 1993, June 30, 1993 and September 30, 1993.
- (c) The Company's Current Reports on Form 8-K, filed under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), dated June 14, 1993, August 19, 1993, September 29, 1993, October 18, 1993, November 3, 1993, November 30, 1993, February 3, 1994, February 10, 1994 and February 11, 1994.

(d) The description of the Company's common stock, \$1.00 par value per share (the "Common Stock"), which is contained in the Company's Registration Statement on Form S-4 filed with the Securities and Exchange Commission on October 25, 1993 (Registration No. 33-50749).

(e) The Joint Proxy Statement/Prospectus of Fisher-Price, Inc. and the Company dated October 26, 1993, excluding the information contained therein under the heading "Incorporation of Documents by Reference," filed as part of the Company's Registration Statement on Form S-4 filed with the Securities and Exchange Commission on October 25, 1993 (Registration No. 33-50749).

4

In addition, all documents filed by the Company with the Commission pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act subsequent to the date of this Registration Statement and prior to the filing of a post-effective amendment which indicates that all the securities offered hereby have been sold or which deregisters all securities then remaining unsold shall be deemed to be incorporated herein by reference and to be a part hereof from the date of the filing of such documents with the Commission.

Item 4. DESCRIPTION OF SECURITIES

Inapplicable.

Item 5. INTERESTS OF NAMED EXPERTS AND COUNSEL

Inapplicable.

Item 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Mattel, Inc. a Delaware corporation (the "Company" or the "Registrant") has adopted provisions in its Restated Certificate of Incorporation (the "Certificate") that limit the liability of its directors. As permitted by the Delaware General Corporation Law (the "Delaware Law"), the Certification provides that directors shall not be personally liable for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Company or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware Law (governing unlawful payments of dividends and unlawful stock purchases and redemptions), as the same exists or hereafter may be amended or (iv) for any transaction from which the director derived an improper benefit.

The Company's Certificate further provides, in effect, that, to the extent and under the circumstances permitted by Section 145 of the Delaware Law, the Company shall indemnify any person who was or is a party or is threatened to be made a party to any action, suit or proceeding of the type described below by reason of the fact that he or she is or was a director, officer, employee or agent of the Company or is or was serving at the request of the Company as director, officer, employee or agent of another corporation or enterprise. Section 145 of the Delaware Law provides that a Delaware corporation has the power to

5

indemnify its directors, officers, employees and agents in certain circumstances.

Subsection (a) of Section 145 of the Delaware law empowers a corporation to indemnify any director, officer, employee or agent or former director, officer, employee or agent who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal administrative or investigative (other than an action by or in the right of the corporation), against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding provided that such director, officer, employee or agent acted in good faith in a manner reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, provided that such director, officer, employee or agent had no cause to believe his or her conduct was unlawful.

Subsection (b) of Section 145 empowers a corporation to indemnify any director, officer, employee or agent or former director, employee or agent who was or is a party or is threatened to be made a party to any threatened, pending

or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that such person acted in any of the capacities set forth above, against expenses actually and reasonably incurred in connection with the defense or settlement of such action or suit provided that such director, officer, employee or agent acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the corporation, except that no indemnification may be made in respect of any claim, issue or matter as to which such director, officer, employee or agent shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or the court in which such action was brought shall determine that despite the adjudication of liability such director, officer, employee or agent is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

Section 145 further provides that to the extent a director, officer, employee or agent of a corporation has been successful in the defense of any action, suit or proceeding referred to in subsections (a) and (b) or in the defense of any claim, issue or matter therein, he or she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith; that indemnification provided for by Section 145 shall not be deemed

6

exclusive of any other rights to which the indemnified party may be entitled; and that the corporation shall have power to purchase and maintain insurance on behalf of a director, officer, employee or agent of the corporation against any liability asserted against him or her or incurred by him or her in any such capacity or arising out of his or her status as such whether or not the corporation would have the power to indemnify him or her against such liabilities under Section 145.

The Company has entered into indemnity agreements (the "Indemnity Agreements") with each director of the Company, including directors who are also officers and employees of the Company, and certain senior officers of the Company. The Indemnity Agreements provide that the Company will pay any costs which an indemnitee actually and reasonably incurs because of claims made against him or her by reason of the fact that he or she is or was a director or officer of the Company. The payments to be made under the Indemnity Agreements include, but are not limited to, expenses of investigations, judicial or administrative proceedings or appeals, damages, judgments, fines, amounts paid in settlement, and attorneys' fees and disbursements, except the Company is not obligated to make any payment under the Indemnity Agreements which the Company is prohibited by law from paying as indemnity, or where (a) indemnification is provided to any indemnitee under an insurance policy, except for amounts in excess of insurance coverage, (b) the claim is one for which an indemnitee is otherwise indemnified by the Company, (c) final determination is rendered in a claim based upon the indemnitee obtaining a personal profit or advantage to which he or she is not legally entitled, (d) final determination is rendered on a claim for an accounting of profits made in connection with a violation of Section 16(b) of the Securities Exchange Act of 1934, or similar state or common law provisions, (e) the indemnitee was adjudged to be deliberately dishonest, or (f) (with respect to a director) liability arises out of a breach of his or her fiduciary duties set forth in clauses (i) through (iv) of the first paragraph of this item.

The directors and officers of the Company and its subsidiaries are insured under certain insurance policies against claims made during the period of the policies against liabilities arising out of claims for certain acts in their capacities as directors and officers of the Company and its subsidiaries.

Item 7. EXEMPTION FROM REGISTRATION CLAIMED

Inapplicable.

7

Item 8. EXHIBITS

Exhibit No.

- 23.1 Consent of Independent Accountants.
- 24.1 Power of Attorney (included on the signature page).
- 99.1 The Fisher-Price Long Term Incentive Plan of 1991.

Item 9. UNDERTAKINGS

The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendments shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof; and

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remains unsold at the termination of the offering.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted against the Registrant by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question

8

whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to section 13(a) or a section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

9

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Amendment to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of El Segundo, State of California, on March 17, 1994.

MATTEL, INC.

By: /s/ Michael McCafferty
Michael McCafferty
Executive Vice President
and Chief Financial Officer

We, the undersigned directors and officers of Mattel, Inc., do hereby severally constitute and appoint John L. Vogelstein, N. Ned Mansour and Robert Normile, and each of them, our true and lawful attorneys and agents, to do any and all acts and things in our name and behalf in our capacities as directors and officers and to execute any and all instruments for us and in our names in the capacities indicated below, which said attorneys and agents, or any of them, may deem necessary or advisable to enable said Registrant to comply with the Securities Act of 1933, as amended, and any rules, regulations, and requirements of the Securities and Exchange Commission, in connection with this Registration Statement on Form S-8, including specifically but without limitation, power and authority to sign for us or any of us, in our names in the capacities indicated below, any and all amendments (including post-effective amendments) hereto; and we do hereby ratify and confirm all that said attorneys and agents or any one of them, shall do or cause to be done by virtue hereof.

Pursuant to the requirements of Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

Signature	Title	Date
/s/ John W. Amerman John W. Amerman	Chairman, Chief Executive Officer and a Director (Principal Executive Officer)	March 17, 1994
10		
/s/ Michael McCafferty Michael McCafferty	Executive Vice President and Chief Financial Officer	March 17, 1994
/s/ Gary P. Rolfes Gary P. Rolfes	Senior Vice President and Controller	March 17, 1994
<hr/> Jill E. Barad	President and Director	March 17, 1994
/s/ Harold Brown Harold Brown	Director	March 17, 1994
/s/ James A. Eskridge James A. Eskridge	President, Fisher-Price, Inc. and a Director of Mattel	March 17, 1994
/s/ Tully M. Freidman Tully M. Friedman	Director	March 17, 1994
/s/ Ronald J. Jackson Ronald J. Jackson	Director	March 17, 1994
/s/ E. Robert Kinney E. Robert Kinney	Director	March 17, 1994
/s/ Ronald M. Loeb Ronald M. Loeb	Director	March 17, 1994
/s/ Edward H. Malone Edward H. Malone	Director	March 17, 1994
/s/ John H. Mullin III John H. Mullin III	Director	March 17, 1994
/s/ Edward N. Ney Edward N. Ney	Director	March 17, 1994

11

/s/ William D. Rollnick	Director	March 17, 1994
-------------------------	----------	----------------

William D. Rollnick

/s/ John L. Vogelstein Director
John L. Vogelstein

March 17, 1994

Lindsey F. Williams
President, Mattel
International and a
Director

March 17, 1994

EXHIBIT 23.1

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in this Registration Statement on Form S-8 of Mattel, Inc. of our report dated February 4, 1993, which is included in the Mattel, Inc. Annual Report to Shareholders for the year ended December 31, 1992, which appears as Exhibit 13.0 to the Company's Annual Report on Form 10-K for the year ended December 31, 1992. We also consent to the incorporation by reference of our report on the Financial Statement Schedules, which appears on page 24 of the Company's Annual Report on Form 10-K for the year ended December 31, 1992.

/s/ PRICE WATERHOUSE
PRICE WATERHOUSE

March 17, 1994
Century City, California

EXHIBIT 99.1

The Fisher-Price Long Term Incentive Plan of 1991

ARTICLE I
NAME AND PURPOSE

1.1 Name. The Fisher-Price Long Term Incentive Plan of 1991 (the "Plan") is established by Fisher-Price, Inc. (the "Company").

1.2 Purpose. The Company has established the Plan to promote the interests of the Company and its shareholders by providing certain directors, officers and employees of the Company and its related affiliates with additional incentive and the opportunity, through stock ownership, to increase their proprietary interest in the Company and their personal interest in its continued success and progress.

ARTICLE II
DEFINITIONS

2.1 General Definitions. The following words and phrases, when used herein, unless otherwise specifically defined or unless the context clearly indicates otherwise, shall have the following meanings:

(a) Affiliate. Any trade or business entity, or a predecessor of such entity, if any, which is a member of a controlled group of business entities of which the Company is also a member.

(b) Agreement. The document which evidences the grant of any Benefit under the Plan and which sets forth the Benefit and the terms, conditions and provisions of, and restrictions relating to, such Benefit.

(c) Benefit. Any benefit granted to a Participant under the Plan.

(d) Board. The Board of Directors of the Company.

(e) Change in Control. Occurrence upon events described in Section 9.2.

(f) Code. The Internal Revenue Code of 1986, as amended, and including the regulations promulgated pursuant thereto.

(g) Committee. The Committee described in Section 5.1.

(h) Common Stock. The Company's \$.01 par value common stock.

(i) Company. Fisher-Price, Inc.

(j) Director. Any person who is a member of the Board.

(k) Effective Date. The date that the Plan is approved by the shareholders of the Company, which must occur within one year before or after approval by the Board. Any grants of Benefits prior to the approval by the shareholders of the Company shall be void if such approval is not obtained.

(l) Employee. Any person employed by the Employer as an employee.

(m) Employer. The Company and all Affiliates.

(n) Exchange Act. The Securities Exchange Act of 1934, as amended.

(o) Fair Market Value. The average of the high and low sales price of Shares on the New York Stock Exchange (composite transactions and including when-issued trading of Common Stock) on a given date; or, in the absence of sales on a given date, the average of such high and low sales price on the last previous day on which a sale occurred prior to such date; or in the absence of sales on any such previous day, the average of such high and low sales price on the next following day in which a sale occurs following such date.

(p) ISO. An Option that meets the requirements of Section 422p of the Code.

(q) NSO. An Option that does not qualify as an ISO.

(r) Non-Employee Director. Any Director who is not also an Employee.

(s) Option. An option to purchase Shares granted under

ARTICLE XIII or ARTICLE XIX of the Plan.

(t) Other Stock Based Award. An award under ARTICLE XVIII that is valued in whole or in part by reference to, or is otherwise based on, Common Stock.

(u) Participant. An individual who is granted a Benefit under the Plan. Benefits may be granted only to Employees and Non-Employee Directors.

(v) Performance Share. A Share awarded to a Participant under ARTICLE XVI of the Plan.

(w) Performance Units. A Benefit awarded to a Participant under ARTICLE XVII of the Plan.

(x) Plan. The Fisher-Price Long Term Incentive Plan of 1991 and all amendments and supplements thereto.

(y) Restricted Stock. Shares issued under ARTICLE XV of the Plan.

(z) Rule 16b-3. Rule 16b-3 promulgated by the SEC, as amended, or any successor rule in effect from time to time.

(aa) SEC. The Securities and Exchange Commission.

(bb) Share. A share of Common Stock.

(cc) Stock Appreciation Right. A Benefit awarded to a Participant under ARTICLE XIV of the Plan.

2.2 Other Definitions. In addition to the above definitions, certain words and phrases used in the Plan and any Agreement may be defined elsewhere in the Plan or in such Agreement.

ARTICLE III COMMON STOCK

3.1 Number of Shares. The number of Shares which may be issued or sold or for which Options, Stock Appreciation Rights, or Performance Shares may be granted under the Plan shall be 2,300,000 Shares, subject to the provisions of Sections 3.2

4

and 3.3 of the Plan. Such Shares may be authorized but unissued Shares, Shares held in the treasury, or both.

3.2 Reusage. If an Option or Stock Appreciation Right expires or is terminated, surrendered, or cancelled without having been fully exercised, if Restricted Stock or Performance Shares are forfeited, or if any other grant results in any Shares not being issued, the Shares covered by such Option or Stock Appreciation Right, grant of Restricted Stock, Performance Shares or other grant, as the case may be, shall again be available for use under the Plan.

3.3 Adjustments. If there is any change in the Common Stock of the Company by reason of any stock dividend, spin-off, split-up, spin-out, recapitalization, merger, consolidation, reorganization, combination or exchange of shares, the number of Stock Appreciation Rights and number and class of shares available for Options and grants of Restricted Stock, Performance Shares and Other Stock Based Awards and the number of Shares subject to outstanding Options, Stock Appreciation Rights, grants of Restricted Stock and Performance Shares, and Other Stock Based Awards, and the price thereof, as applicable, shall be appropriately adjusted by the Committee.

ARTICLE IV ELIGIBILITY

The eligibility of Employees to become Participants and the Benefits they receive under the Plan shall be determined solely by the Committee. In making its determinations, the Committee shall consider past, present and expected future contributions of Employees and Participants to the Employer. The eligibility of Non-Employee Directors to become Participants and the Benefits they receive under the Plan will be determined in accordance with ARTICLE XIX.

ARTICLE V ADMINISTRATION

5.1 Committee. The Plan shall be administered by the Committee (also known as the Compensation Committee of the Board). The Committee shall consist of Non-Employee Directors, who shall not be eligible to participate in the Plan, except as provided in ARTICLE XIX. The members of the Committee shall be appointed by and shall serve at the pleasure of the Board, which may from time to time appoint members in substitution for members

5

previously appointed and fill vacancies, however caused, in the Committee.

5.2 Authority. Subject to the terms of the Plan, the Committee shall have complete authority to:

(a) determine the individuals to whom Benefits are granted, the type and amounts of Benefits to be granted and the time of all such grants;

(b) determine the terms, conditions and provisions of, and restrictions relating to, each Benefit granted;

(c) interpret and construe the Plan and all Agreements;

(d) prescribe, amend and rescind rules and regulations relating to the Plan;

(e) determine the content and form of all Agreements;

(f) determine all questions relating to Benefits under the Plan;

(g) maintain accounts, records and ledgers relating to Benefits;

(h) maintain records concerning its decisions and proceedings;

(i) employ agents, attorneys, accountants or other persons for such purposes as the Committee considers necessary or desirable;

(j) take, at anytime, any action permitted by Section 9.1 irrespective of whether any Change in Control has occurred or is imminent; and

(k) do and perform all acts which it may deem necessary or appropriate for the administration of the Plan and carry out the purposes of the Plan.

5.3 Determinations. All determinations of the Committee shall be final.

5.4 Delegation. Except as required by Rule 16b-3 with respect to Benefits to individuals who are subject to Section 16

6

of the Exchange Act or as otherwise required for compliance with Rule 16b-3 or other applicable law, the Committee may delegate all or any part of its authority under the Plan to any Employee, Employees or committee.

ARTICLE VI AMENDMENT

6.1 Power of Board. Except as hereinafter provided, the Board shall have the sole right and power to amend the Plan at any time and from time to time.

6.2 Limitation. The Board may not amend the Plan, without approval of the shareholders of the Company:

(a) in a manner which would increase the number of Shares which may be issued or sold or for which Options, Stock Appreciation Rights, or Performance Shares may be granted under the plan; or

(b) in a manner which would violate applicable law.

ARTICLE VII TERM AND TERMINATION

7.1 Term. The Plan shall commence as of the Effective Date and, subject to the terms of the Plan, including those requiring approval by the shareholders of the Company and those limiting the period over which ISOs or any other Benefits may be granted, shall continue in full force for a period of 10 years from the Effective Date.

7.2 Termination. The Plan may be terminated at any time by the Board.

ARTICLE VIII MODIFICATION OR TERMINATION OF BENEFITS

8.1 General. Subject to the provisions of Section 8.2, the amendment or termination of the Plan shall not adversely affect a Participant's right to any Benefit granted prior to such amendment or termination.

7

8.2 Committee's Right. Any Benefit granted may be converted, modified, forfeited or cancelled, in whole or in part, by the Committee if and to the extent permitted in the Plan or applicable Agreement or with the consent of the Participant to whom such Benefit was granted.

ARTICLE IX CHANGE IN CONTROL

9.1 Vesting. Upon the occurrence of a Change in Control, all Options, Restricted Stock, Performance Shares, Performance Units and Other Stock Based Awards or other Benefits previously granted under the Plan, and outstanding on the date on which the Change in Control occurs, shall become free of any and all restrictions and be fully vested, and Options shall become immediately exercisable, in amounts determined in accordance with the terms and conditions otherwise set forth in the applicable Agreement.

9.2 Change in Control. A Change in Control shall be deemed to have occurred if:

(a) any "Person," which shall mean a "person" as such term is used in Sections 13(d) and 14(d) of the Exchange Act (other than the Company, any trustee or other fiduciary holding securities under an employee benefit plan of the Company, or any company owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company), is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 30% or more of the combined voting power of the Company's then outstanding voting securities;

(b) during any period of 24 consecutive months, individuals, who at the beginning of such period constitute the Board, and any new director whose election by the Board, or whose nomination for election by the Company's stockholders, was approved by a vote of at least two-thirds (2/3) of the Directors (other than in connection with a contested election) before the beginning of the period cease for any reason to constitute at least a majority thereof;

8

(c) the stockholders of the Company approve (1) a plan of complete liquidation of the Company or (2) the sale or disposition by the Company of all or substantially all of the Company's assets unless the acquirer of the assets or its directors shall meet the conditions for a merger or consolidation in subparagraphs (d)(1) or (d)(2); or

(d) the stockholders of the Company approve a merger or consolidation of the Company with any other company other than:

(1) such a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 70% of the combined voting power of the Company's or such surviving entity's outstanding voting securities immediately after such merger or consolidation; or

(2) such a merger or consolidation which would result in the Directors of the Company who were Directors immediately prior thereto continuing to constitute at least 50% of the directors of the surviving entity immediately after such merger or consolidation.

In this paragraph (d), "surviving entity" shall mean only an entity in which all of the Company's stockholders immediately before such merger or consolidation become stockholders by the terms of such merger or consolidation, and the phrase "Directors of the Company who were Directors immediately prior thereto" shall include only individuals who were Directors of the Company at the beginning of the 24 consecutive month period preceding the date of such merger or consolidation, or who were new Directors (other than any Director designated by a Person who has entered into an agreement with the Company to effect a transaction described in paragraph (a), (c)(2), (d)(1) or (d)(2) of this Section) whose election by the Board, or whose nomination for election by the Company's stockholders, was approved by a vote of at least two-thirds (2/3) of the Directors before the beginning of such period.

9

ARTICLE X AGREEMENTS AND CERTAIN BENEFITS

10.1 Grant Evidenced by Agreement. The grant of any Benefit under the Plan may be evidenced by an Agreement which shall describe the specific Benefit granted and the terms and conditions of the Benefit. The granting of any Benefit may be subject to, and conditioned upon, the recipient's execution of any Agreement required by the Committee. Except as otherwise provided in an Agreement, all capitalized terms used in the Agreement shall have the same meaning as in the Plan, and the Agreement shall be subject to all of the terms of the Plan.

10.2 Provisions of Agreement. Each Agreement shall contain such provisions that the Committee shall determine to be necessary, desirable and appropriate for the Benefit granted. Each Agreement may include, but shall not be limited to, the following with respect to any Benefit: description of the type of Benefit; the Benefit's duration; its transferability; if an Option, the exercise price, the exercise period and the person or persons who may exercise the Option; the effect upon such Benefit of the Participant's death or termination of employment; the Benefit's conditions; when, if, and how any Benefit may be forfeited, converted into another Benefit, modified, exchanged for another Benefit, or replaced; and the restrictions on any Shares purchased or granted under the Plan.

10.3 Certain Benefits. Any Benefit granted to an individual who is subject to Section 16 of the Exchange Act shall not be transferable other than by will or the laws of descent and distribution and shall be exercisable during his lifetime only by him, his guardian or his legal representative.

ARTICLE XI
REPLACEMENT AND TANDEM AWARDS

11.1 Replacement. The Committee may permit a Participant to elect to surrender a Benefit (except for Options granted pursuant to ARTICLE XIX), in exchange for a new Benefit.

11.2 Tandem Awards. Benefits may be granted by the Committee in tandem. However, no Benefit may be granted in tandem with an Option granted pursuant to ARTICLE XIX whatsoever, or an ISO (except a Stock Appreciation Right).

10

ARTICLE XII
PAYMENT, DIVIDENDS, DEFERRAL AND WITHHOLDING

12.1 Payment. Upon the exercise of an Option or in the case of any other Benefit that requires a payment to the Company, the amount due the Company is to be paid:

- (a) in cash;
- (b) by the tender to the Company of Shares owned by the Participant and registered in his name having a Fair Market Value equal to the amount due to the Company;
- (c) in other property, rights and credits, including the Participant's promissory note; or
- (d) by any combination of the payment methods specified in (a), (b) and (c) above.

Notwithstanding the foregoing, any method of payment other than (a) may be used only with the consent of the Committee, or if and to the extent so provided in the applicable Agreement.

12.2 Dividend Equivalents. Grants of Benefits in Shares or Share equivalents may include dividend equivalent payments or dividend credit rights.

12.3 Deferral. The right to receive any Benefit under the Plan may, at the request of the Participant, be deferred for such period and upon such terms as the Committee shall determine, which may include crediting of interest on deferrals of cash and crediting of dividends on deferrals denominated in Shares.

12.4 Withholding. The Company, at the time any distribution is made under the Plan, whether in cash or in Shares, may withhold from such distribution any amount necessary to satisfy federal, state and local tax withholding requirements with respect to such distribution. Such withholding may be in cash or in Shares.

11

ARTICLE XIII OPTIONS

13.1 Types of Options. It is intended that both ISOs and NSOs may be granted by the Committee to Employees under this ARTICLE XIII of the Plan.

13.2 Shares for ISOs. The number of Shares for which ISOs may be granted on or after the Effective Date shall not exceed 2,300,000 Shares, subject to the overall Plan limitations, permitted reuse and adjustments provided for in ARTICLE III.

13.3 Grant of Options and Option Price. Each Option granted under this ARTICLE XIII must be granted to an Employee, and must be granted no later than 10 years from the Effective Date. The purchase price for Shares under any Option shall be no less than the Fair Market Value of the Shares at the time the Option is granted.

13.4 Early Termination of Option.

(a) Termination of Employment. All rights to exercise an Option granted under this ARTICLE XIII terminate 60 days following the Participant's employment termination for any reason other than his death or retirement. Transfer from the Company to an Affiliate, or vice versa, or from one Affiliate to another, shall not be deemed termination of employment. The Committee shall have the authority to determine in each case whether an authorized leave of absence or absence on military or government service shall be deemed a termination of employment for purposes of this paragraph (a).

(b) Death or Retirement. If a Participant dies while an Employee or retires, his Option granted under this ARTICLE XIII shall terminate within a period not exceeding three years after his

death or retirement (but not later than the date the Option expires pursuant to its terms). The terms of Options granted under this ARTICLE XIII outstanding except for those Options intended to qualify as an ISO, may also be amended at any time by the Committee or the Board to extend the Option's duration period following a Participant's death or retirement, subject to the limitations stated in the preceding sentence. In the meantime, subject to the limitations in the applicable Agreement, it may be exercised by the Participant, the

12

executors or administrators of his estate, or by his legatee or heirs. "Retirement" shall mean termination of employment at age 55 or older for reasons other than death.

13.5 Other Requirements. The terms of each Option which is intended to qualify as an ISO shall meet all requirements of Section 422A of the Code. The terms of each NSO shall provide that such Option will not be treated as an ISO.

13.6 Determination by Committee. Except as otherwise provided in Section 13.2 through Section 13.5, and ARTICLE IX, the terms of all Options granted under this ARTICLE XIII shall be determined by the Committee.

ARTICLE XIV STOCK APPRECIATION RIGHTS

14.1 Description. The Committee may from time to time grant Stock Appreciation Rights. Upon electing to receive payment of a Stock Appreciation Right, a Participant shall receive an amount in cash, in Common Stock or in any combination thereof, as the Committee shall determine, equal to the amount, if any, by which the Fair Market Value of one Share on the date on which such election is made exceeds the Fair Market Value of one Share on the date on which the Stock Appreciation Right was granted.

14.2 Grant of Tandem Award. The Committee may grant a Stock Appreciation Right in tandem with another Benefit, in which case: the exercise of the other Benefit shall cause a correlative reduction in Stock Appreciation Rights standing to a Participant's credit which were granted in tandem with the other Benefit, and the payment of a Stock Appreciation Right shall cause a correlative reduction of the Shares under such other Benefit.

14.3 ISO Tandem Award. When a Stock Appreciation Right is granted in tandem with ISO, it shall have such terms and conditions as shall be required for the ISO with which it is granted in tandem to qualify as an ISO.

14.4 Payment of Award. A Stock Appreciation Right shall be paid, to the extent payment is elected by the Participant (and is otherwise due and payable), as soon as practicable after the date on which such election is made.

13

ARTICLE XV
RESTRICTED STOCK

15.1 Description. The Committee may grant Benefits in Shares available under ARTICLE III of the Plan as Restricted Stock. Shares of Restricted Stock shall be issued at the time of the grant but shall be subject to forfeiture until provided otherwise in the applicable Agreement or the Plan.

15.2 Terms and Conditions of Restricted Stock Awards. All Shares of Restricted Stock shall be subject to the following terms and conditions, and to such other terms and conditions as may be provided under the Agreements described in paragraph (f) next below:

(a) Payment of Par Value. The Committee, in its discretion, may condition any grant of Shares of Restricted Stock on payment by the Participant to the Company of an amount not in excess of the par value of such Shares. If any such Shares are subsequently forfeited by the Participant, the Company shall pay an equivalent amount of the Participant as soon as practicable after the forfeiture.

(b) Restricted Period. Shares of Restricted Stock granted to a Participant may not be sold, assigned, transferred, pledged or otherwise encumbered during a "Restricted Period" commencing on the date of the grant and ending on such date as the Committee may designate, subject to the following:

(i) The Committee may, at any time and in its sole discretion, reduce or terminate the Restricted Period with respect to any outstanding Shares of Restricted Stock, any accrued dividends in accordance with paragraph (g) below, and any corresponding Cash Award pursuant to Section 15.3.

(ii) The Restricted Period applicable to any Participant's Shares of Restricted Stock shall end as of the date on which the Participant's employment with the Company and its Affiliates is terminated by reason of the Participant's death, physical or mental disability (as determined by the Committee), or for such other reasons as the Committee may provide.

(iii) The Committee may, at any time, and in its sole discretion, allow a Participant to use his Restricted Stock during the Restricted Period as payment of the Option price (in accordance with Section 12.1) for Options which he has been granted. In such an event, a number of the Shares issued upon the exercise of the Option, equal to the number of Shares of Restricted Stock used as payment therefore, shall be subject to the same restrictions as the Restricted Stock so used, plus any additional restrictions that may be imposed by the Committee. Such terms and conditions relating to such use of Restricted Stock shall be provided under the Agreements described in paragraph (f) of this Section.

(c) Transfer of Restricted Stock. At the end of the Restricted Period applicable to any Shares of Restricted Stock, such Shares, any accrued dividends and any corresponding Cash Award, will be transferred free of all restrictions to the Participant (or, to the Participant's legal representative, beneficiary or heir).

(d) Forfeitures. Subject to paragraphs 15.2(b), a Participant whose employment with the Company and its Affiliates is terminated prior to the last day of the applicable Restricted Period shall forfeit all shares of Restricted Stock, and any accrued dividends, and any corresponding Cash Award.

(e) Certificates Deposited With Company. Each certificate issued in respect of Shares of Restricted Stock granted to a Participant under the Plan shall be registered in the name of the Participant and deposited, together with a stock power endorsed in blank, with the Company. At the discretion of the Committee, any such certificates may be deposited in a bank designated by the Committee. Each such certificate shall bear the following (or a similar) legend:

"The transferability of this certificate and the shares of stock represented hereby are subject to the terms and conditions (including forfeitures) contained in The Fisher-Price Long Term Incentive Plan of 1990 and an Agreement entered into between the registered owner and Fisher-Price, Inc. A

copy of the Plan and Agreement is on file in the office of the Secretary of Fisher-Price, Inc., 636 Girard Avenue, East Aurora, New York 14052."

(f) Restricted Stock Agreement. The Participant shall enter

into an Agreement with the Company in a form specified by the Committee and containing such additional terms and conditions, if any, as the Committee in its sole discretion shall determine, which are not inconsistent with the provisions of the Plan.

(g) Dividends. Regular cash dividends payable with respect to Shares of Restricted Stock shall, in accordance with the terms of the applicable Agreement, be paid to the Participant currently or accrued. If dividends are accrued, interest may be payable on such dividends at such rate, if any, as is established from time to time by the Committee.

(h) Substitution of Rights. Prior to the end of the Restricted Period with respect to any Shares of Restricted Stock awarded to a Participant, the Committee may, with the consent of the Participant, substitute an unsecured obligation of the Company to pay cash or stock (on such reasonable terms and conditions as the Committee may, in its sole discretion, determine) in lieu of its obligations under this ARTICLE XV to deliver unrestricted Shares plus accrued dividends.

(i) Stockholder Rights. Subject to the foregoing restrictions, each Participant shall have all the rights of a stockholder with respect to Shares of Restricted Stock including, but not limited to, the right to vote such Shares.

15.3 Cash Awards and Restricted Stock. The Committee, at the time it grants Restricted Stock to a Participant or at any time thereafter may grant a corresponding Cash Award which will entitle the Participant to receive cash as of the date as of which the Restricted Stock is transferred to him pursuant to paragraph 15.2(c), in an amount which is not in excess of 200 percent of the Fair Market Value of the Restricted Stock as of that date. Any such Cash Award shall be in addition to the Participant's rights to the Shares of Restricted Stock and shall be subject to such additional terms and conditions, if any, as the Committee determines which are not inconsistent with the terms and conditions of the Plan. The Committee may, at any

16

time, grant unrestricted Shares (in lieu of such a Cash Award and subject to the limitations thereof) to any Participant under the Plan subject to such terms and conditions as the Committee may determine.

ARTICLE XVI PERFORMANCE SHARES

16.1 Description. Performance Shares are the right of an individual to whom a grant of such Shares is made to receive Shares or cash

equal to the Fair Market Value of such Shares at a future date in accordance with the terms of such grant. Generally, such right shall be based upon the attainment of profit and/or performance objectives.

16.2 Grant. The Committee may grant an award of Performance Shares. The number of Performance Shares and the terms and conditions of the grant shall be set forth in the applicable Agreement.

ARTICLE XVII PERFORMANCE UNITS

17.1 Description. Performance Units are the right of an individual to whom a grant of such Units is made to receive cash at a future date in accordance with the terms of such grant. Generally, such right shall be based upon the attainment of profit and/or performance objectives.

17.2 Grant. The Committee may grant an award of Performance Units. The number of Performance Units and the terms and conditions of the grant shall be set forth in the applicable Agreement.

ARTICLE XVIII OTHER STOCK BASED AWARDS AND OTHER BENEFITS

18.1 Other Stock Based Awards. The Committee shall have the right to grant Other Stock Based Awards which may include, without limitation, the grant of Shares based on certain conditions, the payment of cash based on the performance of the Common Stock, and the grant of securities convertible into Shares.

17

18.2 Other Benefits. The Committee shall have the right to provide types of Benefits under the Plan in addition to those specifically listed, if the Committee believes that such Benefits would further the purposes for which the Plan was established.

ARTICLE XIX NON-EMPLOYEE DIRECTORS' STOCK OPTIONS

19.1 Eligibility. Each Non-Employee Director shall be eligible to receive Options only in accordance with this ARTICLE XIX, and shall not be eligible for any other Benefits under the Plan.

19.2 Grant of Options. Each Non-Employee Director elected at the

Shareholder meeting immediately prior to commencement of when issued trading of Common Stock shall automatically be granted an Option for 1000 Shares, as of the date of such meeting. Annually thereafter, as of the date of the Annual Meeting of the shareholders of the Company, each Non-Employee Director who is newly elected at such meeting, or who has been newly elected since the last such meeting, shall automatically be granted an Option for 1,000 Shares; and each other Non-Employee Director who is continuing, or is reelected as a Non-Employee Director, shall automatically be granted an Option for 500 Shares.

19.3 Grant Evidenced by Agreement. Each Option granted under this ARTICLE XIX to a Non-Employee Director must be granted no later than 10 years from the Effective Date, and shall be evidenced by an Agreement describing the terms and conditions of the Option granted, including but not limited to the following:

(a) The purchase price for Shares under any Option shall be no less than the Fair Market Value of the Shares as of the date the Option is granted.

(b) The Option shall not be transferable by the Participant otherwise than by will or the laws of descent and distribution, and shall be exercisable during his lifetime only by him.

(c) The total number of Shares covered by the Option shall become exercisable on the first anniversary date of the grant of the Option. However, no Option or any part of an Option shall be exercisable:

(i) before the Participant has served one consecutive year as a member of the Board from the date the Option was granted; or

(ii) after the expiration of 10 years from the date the Option was granted.

(d) The Participant shall deliver a written notice of the Option exercise to the Company, specifying the number of shares to be purchased, and payment in full shall be made for the Shares being acquired at the time of exercise, with the amount due the company to be paid:

(i) in cash;

(ii) by tendering to the Company Shares owned by the Participant and registered in his name having a Fair Market Value equal to the amount due the Company; or

(iii) by any combination of the payment methods specified in (i) and (ii) above.

(e) The Option exercise must be made by a Participant who has been at all times during the period beginning with the date the Option was granted and ending on the date of such exercise, a Non-Employee Director. However, if a Participant shall cease to be a Non-Employee Director for any reason (including retirement or death) while holding an Option that has not expired and has not been fully exercised, such Participant (or in the case of his death, the executors, administrators, legatees, or distributees, as the case may be) may exercise any such Options at any time within 60 days after the date he ceases to be a Non-Employee Director (but in no event after the Option has expired under the provisions of paragraph (c)(ii) above). In the event any Option is exercised by the executors, administrators, legatees or distributees of the estate of a deceased Participant, the Company shall be under no obligation to issue Shares thereunder unless and until the Company is satisfied that the person or persons exercising the Option are the duly appointed legal representatives of the deceased Participant's estate or the proper legatees or distributees thereof.

(f) All Options outstanding on the date on which a Change in Control occurs, shall become immediately

19

exercisable, in the amounts determined in accordance with the terms and conditions otherwise set forth in the applicable Agreement.

(g) If there is any change in the Common Stock of the Company by reason of any stock dividend, spin-off, split-up, spin-out, recapitalization, merger, consolidation, reorganization, combination or exchange of shares, the number of Shares subject to outstanding Options, and the price thereof, as applicable, shall be appropriately adjusted.

19.4 Plan Provisions. To the extent not inconsistent or superseded by the provisions of this ARTICLE XIX, all other Plan provisions and definitions shall apply to this ARTICLE XIX, and to Options granted pursuant hereto.

ARTICLE XX MISCELLANEOUS PROVISIONS

20.1 Underscored References. The underscored references contained in the Plan are included only for convenience, and they shall not be construed as a part of the Plan or in any respect affecting or modifying its provisions.

20.2 Number and Gender. The masculine and neuter, wherever used in the Plan, shall refer to either the masculine, neuter or feminine; and, unless the context otherwise requires, the singular shall include the plural and the plural the singular.

20.3 Governing Law. This Plan shall be construed and administered in accordance with the laws of the State of New York.

20.4 Purchase for Investment. The Committee may require each person purchasing Shares pursuant to an Option or other award under the Plan to represent to and agree with the Company in writing that such person is acquiring the Shares for investment and without a view to distribution or resale. The certificates for such Shares may include any legend which the Committee deems appropriate to reflect any restrictions on transfer. All certificates for Shares delivered under the Plan shall be subject to such stock-transfer orders and other restrictions as the Committee may deem advisable under all applicable laws, rules and regulations, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate references to such restrictions.

20

20.5 No Contract. The adoption of the Plan or the granting of a Benefit shall not confer upon any Employee or Non-Employee Director any right to continued employment or position as a Director, nor shall it interfere in any way with the right of the Company or its shareholders to terminate the employment of any of its Employees, or remove any of its Directors, at any time.

20.6 No Effect on Other Benefits. The receipt of Benefits under the Plan shall have no effect on any benefits to which a Participant may be entitled from the Employer, under another plan or otherwise, or preclude a Participant from receiving any such benefits.

21

IN WITNESS WHEREOF, this Program is executed by a duly authorized officer of the Company.

FISHER-PRICE, INC.

By: _____
Its Vice President

_____, 1991

