

# SECURITIES AND EXCHANGE COMMISSION

## FORM S-8

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

Filing Date: **1994-02-02**  
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### FILER

#### **ASHLAND OIL INC**

CIK: **7694** | IRS No.: **610122250** | State of Incorpor.: **KY** | Fiscal Year End: **0930**  
Type: **S-8** | Act: **33** | File No.: **033-52125** | Film No.: **94504227**  
SIC: **2911** Petroleum refining

Mailing Address  
*P O BOX 391*  
*ASHLAND KY 41101*

Business Address  
*1000 ASHLAND DRIVE*  
*RUSSELL KY 41169*  
*6063293333*

As filed with the Securities and Exchange Commission on February 2, 1994

Registration No. 33-

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D. C. 20549

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Form S-8  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933  
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ASHLAND OIL, INC.  
(Exact name of registrant as specified in its charter)

Kentucky  
(State or other jurisdiction of  
incorporation or organization)

61-0122250  
(I.R.S. Employer  
Identification No.)

1000 Ashland Drive  
Russell, Kentucky 41169  
(Address of Principal  
Executive Offices)

P.O. Box 391  
Ashland, Kentucky 41114  
(Mailing Address)

ASHLAND OIL, INC.  
DEFERRED COMPENSATION AND STOCK INCENTIVE PLAN FOR  
NON-EMPLOYEE DIRECTORS  
(Full title of the Plan)

Thomas L. Feazell  
Senior Vice President, General Counsel and Secretary  
Ashland Oil, Inc.  
1000 Ashland Drive  
Russell, Kentucky 41169  
(Name and address of agent for service)

(606) 329-3333  
(Telephone number of agent for service)

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CALCULATION OF REGISTRATION FEE

Title of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Share (1) (2)	Proposed Maximum Aggregate Offering Price (1) (2)	Amount of Registration Fee
Common Stock, par value \$1.00 per share	500,000 shares	\$37.3125	\$18,656,250	\$6,434

- (1) In accordance with Rule 457 under the Securities Act of 1933, calculated on the basis of \$37.3125 per share of Common Stock which was the average of the high and low prices on the New York Stock Exchange -- Composite Tape on January 31, 1994.
- (2) Estimated solely for the purpose of determining the registration fee.

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference.

There are incorporated herein by reference the following documents and material heretofore filed with the Securities and Exchange Commission (the "Commission") pursuant to Section 13 or 15(d) of the Securities Exchange Act, as amended (the "Exchange Act") (File No. 1-2918):

(a) Annual Report on Form 10-K (as amended by Form 10-K/A, Amendment No. 1) of Ashland Oil, Inc. ("Ashland" or the "Company") for the fiscal year ended September 30, 1993 ("Form 10-K/A");

(b) The description of Ashland's Common Stock, par value \$1.00 per share, set forth in the Registration Statement on Form 10, as amended in its entirety, by the Form 8 amendment dated May 5, 1983; and

(c) The description of the Rights to Purchase Cumulative Preferred Stock, Series of 1987, set forth in Ashland's Registration Statement on Form 8-A dated May 29, 1986, as amended by Forms 8 dated February 5, 1987 and September 21, 1989.

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

the date of filing of such documents.

Item 4. Description of Securities.

Not applicable.

Item 5. Interests of Named Experts and Counsel.

The validity of the Common Stock offered hereby has been passed upon by Thomas L. Feazell, Senior Vice President, General Counsel and Secretary of Ashland. Mr. Feazell owns beneficially 56,431 shares of Common Stock (including 37,600 shares of Common Stock which may be acquired upon the exercise of currently outstanding stock options) and 200 shares of Ashland \$3.125 Cumulative Convertible Preferred Stock.

The consolidated financial statements and schedules of Ashland appearing or incorporated by reference in the Form 10-K/A have been audited by Ernst & Young, independent auditors, as set forth in their report thereon included therein and incorporated herein by reference. Such consolidated financial statements and schedules are, and audited consolidated financial statements and schedules to be included in subsequently filed documents will be, incorporated herein in reliance upon the reports of Ernst & Young pertaining to such financial statements (to the extent covered by consents filed with the Commission) given upon the authority of such firm as experts in accounting and auditing.

Item 6. Indemnification of Directors and Officers.

Sections 271B.8-500 through 580 of the Kentucky Revised Statutes contain detailed provisions for indemnification of directors and officers of Kentucky corporations against judgments, penalties, fines, settlements and reasonable expenses in connection with litigation. Such statutory provisions are not exclusive of any rights to indemnification granted under the Second Restated Articles of Incorporation of Ashland, as amended (the "Articles"), Ashland's By-laws, as amended (the "By-laws"), indemnification agreements or otherwise.

Article X of Ashland's Articles permits, but does not require, Ashland to indemnify directors, officers and employees of Ashland to the fullest extent permitted by law. The By-laws of Ashland require indemnification of officers and employees of Ashland and its subsidiaries under certain circumstances. Ashland has entered into indemnification contracts with each of its directors that require indemnification to the fullest extent permitted by law, subject to certain exceptions and limitations.

Ashland has purchased insurance which insures (subject to certain terms and conditions, exclusions and deductibles) Ashland against certain costs which Ashland might be required to pay by way of

indemnification to its directors or officers under its Articles or By-laws, indemnification agreements or otherwise and protects individual directors and officers from certain losses for which they might not be indemnified by Ashland. In addition, Ashland has purchased insurance which provides liability coverage (subject to certain terms and conditions, exclusions and deductibles) for amounts which Ashland, or the fiduciaries under Ashland's employee benefit plans, which may include directors, officers and employees of Ashland, might be required to pay as a result of a breach of fiduciary duty.

Item 7. Exemption from Registration Claimed.

Not applicable.

Item 8. Exhibits.

- 4(a). Ashland Oil, Inc. Deferred Compensation and Stock Incentive Plan for Non-Employee Directors.
- 4(b). Second Restated Articles of Incorporation, as amended, of Ashland (filed as Exhibit 3.1 to Ashland's Form 10-K for the fiscal year ended September 30, 1990 and as amended by Exhibit 4 to Ashland's Form 8-K dated May 19, 1993 and incorporated herein by reference).
- 5. Opinion of Counsel, including Counsel's consent, concerning securities registered hereunder.
- 23(a). Consent of Ernst & Young, independent auditors.
- 23(b). Consent of Thomas L. Feazell (included as part of Exhibit 5).
- 24(a). Power of Attorney.
- 24(b). Certified Copy of Board of Directors' Resolution.

Item 9. Undertakings.

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement: (i) to include any prospectus required by Section 10(a)(3) of the Securities Act of 1933 (the "Securities Act"); (ii) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement; (iii) 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; provided, however, that subparagraphs (i) and (ii), above, do not apply if the information required to be included in a post-effective amendment by those subparagraphs is contained in periodic reports filed by the registrant pursuant to Section 13 or 15(d) of the Exchange Act that are incorporated by reference in the registration statement.

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

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

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the registrant's annual report pursuant to Section 13(a) or 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) 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.

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

#### SIGNATURES

The Registrant. Pursuant to the requirements of the Securities Act, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly

caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Russell and Commonwealth of Kentucky on this 2nd day of February, 1994.

ASHLAND OIL, INC.  
(Registrant)

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By: /s/ Thomas L. Feazell  
Thomas L. Feazell  
Senior Vice President,  
General Counsel  
and Secretary

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

Signature and Title

John R. Hall \*

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Chairman of the Board of Directors,  
Chief Executive Officer and Director

Paul W. Chellgren \*

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President, Chief Operating  
Officer and Director

J. Marvin Quin \*

---

Chief Financial Officer  
and Senior Vice President

Kenneth L. Aulen \*

---

Administrative Vice President,  
Controller and Principal  
Accounting Officer

Jack S. Blanton \*

---

Director

Thomas E. Bolger \*

---

Director

Samuel C. Butler \*

---

Director

Frank C. Carluci \*

---

Director

James B. Farley \*

---

Director

Edmund B. Fitzgerald \*

---

Director

Ralph E. Gomory \*

---

Director

Patrick F. Noonan \*

---

Director

Jane C. Pfeiffer \*

---

Director

James R. Rinehart \*

---

Director

Michael D. Rose \*

---

Director

William L. Rouse, Jr. \*

Thomas L. Feazell

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

Thomas L. Feazell  
Senior Vice President,  
General Counsel  
and Secretary  
(Attorney-in-fact)

Date: February 2, 1994



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Director

Robert B. Stobaugh \*

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Director

James W. Vandever \*

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Director

Powers of attorney authorizing John R. Hall, Paul W. Chellgren, Thomas L. Feazell, James G. Stephenson, and David L. Hausrath and each of them, to sign this Registration Statement on behalf of the above-named officers and directors of the Company are being filed herewith with the Commission.

EXHIBIT INDEX

Exhibit No.		Description
4(a)	--	Ashland Oil, Inc. Deferred Compensation and Stock Incentive Plan for Non-Employee Directors
4(b)	--	Second Restated Articles of Incorporation, as amended, of Ashland (filed as Exhibit 3.1 to Ashland's Form 10-K for the fiscal year ended September 30, 1990 and as amended by Exhibit 4 to Ashland's Form 8-K dated May 19, 1993 and incorporated herein by reference).
5	--	Opinion of Counsel, including Counsel's consent, concerning securities registered hereunder.
23(a)	--	Consent of Ernst & Young, independent auditors.
23(b)	--	Consent of Thomas L. Feazell (included as part of Exhibit 5).
24(a)	--	Power of Attorney.

24(b) -- Certified Copy of Board of Directors' Resolution.

ASHLAND OIL, INC.  
DEFERRED COMPENSATION AND  
STOCK INCENTIVE PLAN FOR NON-EMPLOYEE DIRECTORS

ARTICLE I. GENERAL PROVISIONS

1. PURPOSE

The purpose of this Ashland Oil, Inc. Deferred Compensation and Stock Incentive Plan For Non-Employee Directors (the "Plan") is to provide each Director with an opportunity to defer some or all of the Director's Fees as a means of saving for retirement or other purposes. In addition, the Plan provides Directors with the ability to increase their proprietary interest in the Company's long-term prospects by permitting Directors to receive all or a portion of their Fees in Ashland Common Stock and providing for the grant of options to purchase Ashland Common Stock to Directors.

2. DEFINITIONS

The following definitions shall be applicable throughout the Plan:

- (a) "Accounting Date" means each December 31, March 31, June 30 and September 30.
- (b) "Act" means the Securities Act of 1933, as amended from time to time.
- (c) "Agreement" means a written agreement setting forth the terms of an Option.
- (d) "Beneficiary" means the person(s) who, upon the death of a Participant, shall have acquired by will, laws of descent and distribution or by other legal proceedings, the right to receive the benefits specified under this Plan in the event of a Director's death.
- (e) "Board" means the Board of Directors of Ashland Oil, Inc.
- (f) "Cash Account" means an account by that name

established pursuant to Article III, Section 1.

- (g) "Change in Control" shall be deemed to occur (1) upon the approval of the shareholders of the Company (or if such approval is not required, upon the approval of the Board) of (A) any consolidation or merger of the Company in which the Company is not the continuing or surviving corporation or pursuant to which shares of Common Stock would be converted into cash, securities or other property other than a merger in which the holders of Common Stock immediately prior to the merger will have the same proportionate ownership of Common Stock of the surviving corporation immediately after the merger, (B) any sale, lease, exchange, or other transfer (in one transaction or a series of related transactions) of all or substantially all the assets of the Company, or (C) adoption of any plan or proposal for the liquidation or dissolution of the Company, (2) when any "person" (as defined in Section 13(d) of the Exchange Act), other than the Company or any subsidiary or employee benefit plan or trust maintained by the Company, shall become the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of more than 20% of the Common Stock outstanding at the time, without the prior approval of the Board, or (3) if at any time during a period of two consecutive years, individuals who at the beginning of such period constituted the Board shall cease for any reason to constitute at least a majority thereof, unless the election or the nomination for election by the Company's shareholders of each new director during such two-year period was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of such two-year period.
- (h) "Code" means the Internal Revenue Code of 1986, as amended from time to time.
- (i) "Committee" means the Personnel and Compensation Committee of the Board.
- (j) "Common Stock" means the common stock, \$1.00 par value, of Ashland Oil, Inc.
- (k) "Company" means Ashland Oil, Inc., its divisions and subsidiaries.

- (l) "Director" means any non-employee director of the Company.
- (m) "Election" means a Participant's delivery of a written notice of election to the Secretary of the Company electing to defer payment of his or her Fees or to receive such Fees in the form of Common Stock.
- (n) "Exchange Act" means the Securities Exchange Act of 1934, as amended.
- (o) "Exercise Price" means with respect to each share of Common Stock subject to an Option, the price at which such share may be purchased from the Company pursuant to the exercise of such Option.
- (p) "Fair Market Value" means, as of any specified date (or, if a weekend or holiday, the next preceding business day), the closing price of a share of Common Stock, as reported on the Composite Tape.
- (q) "Fees" mean the annual retainer and meeting fees, as well as any per diem compensation for special assignments, earned by a Director for his or her service as a member of the Board during a calendar year or portion thereof.
- (r) "Nonqualified Stock Option" means any Option that does not comply with the provisions of Section 422 of the Code.
- (s) "Option" means the right to purchase Common Stock as provided in Article IV.
- (t) "Participant" means a Director who has elected to defer payment of all or a portion of his or her Fees and/or to receive all or a specified portion of his or her Fees in shares of Common Stock.
- (u) "Payment Commencement Date" means the date payments of amounts deferred begin pursuant to Article III, Section 6.
- (v) "Personal Representative" means the person or persons who, upon the disability or incompetence of a Director, shall have acquired on behalf of the Director, by legal proceeding or otherwise, the right to receive the benefits specified in this Plan.

- (w) "Plan" means this Ashland Oil, Inc. Deferred Compensation and Stock Incentive Plan For Non-Employee Directors.
- (x) "Prime Rate of Interest" means the rate of interest quoted by Citibank, N.A. as its prime commercial lending rate on each Accounting Date.
- (y) "Stock Account" means an account by that name established pursuant to Article III, Section 1.
- (z) "Stock Unit(s)" means the share equivalents credited to a Participant's Stock Account pursuant to Article III, Sections 1 and 2.
- (aa) "Termination" means retirement from the Board or termination of service as a Director for any other reason.

### 3. SHARES; ADJUSTMENTS IN EVENT OF CHANGES IN CAPITALIZATION

(a) Shares Authorized for Issuance. There shall be reserved for issuance under the Plan 500,000 shares of Common Stock, subject to adjustment pursuant to subsection (b) below; provided, however, that of such shares, only 150,000 shares shall be available for issuance in connection with the award of Options. Such shares shall be authorized but unissued shares of Common Stock. If any Option shall expire without having been exercised in full, the shares subject to the unexercised portion of such Option shall again be available for the purposes of the Plan.

(b) Adjustments in Certain Events. In the event of any change in the outstanding Common Stock of the Company by reason of any stock split, stock dividend, recapitalization, merger, consolidation, reorganization, combination, or exchange of shares, split-up, split-off, spin-off, liquidation or other similar change in capitalization, or any distribution to common shareholders other than cash dividends, the number or kind of shares that may be issued under the Plan shall be automatically adjusted so that the proportionate interest of the Directors shall be maintained as before the occurrence of such event. Such adjustment shall be conclusive and binding for all purposes of the Plan.

### 4. ELIGIBILITY

Any non-employee Director of the Company shall be eligible to participate in the Plan.

5. ADMINISTRATION

Full power and authority to construe, interpret and administer the Plan shall be vested in the Committee. Decisions of the Committee shall be final, conclusive and binding upon all parties. Day-to-day administration of the Plan shall be the responsibility of the Company's Corporate Human Resources Department. This Department may authorize new or modify existing forms for use under this Plan so long as any such modified or new forms are not inconsistent with the terms of the Plan.

ARTICLE II. COMMON STOCK PROVISION

Each Director may elect to receive all or a portion of his or her Fees in shares of Common Stock by making an Election pursuant to Article III, Section 4. Shares shall be issued to the Director at the end of each quarter beginning in the quarter the Election is effective. The number of shares of Common Stock so issued shall be equal to the amount of Fees which otherwise would have been payable to such Director during the quarter divided by the Fair Market Value on the last day of such quarter. Only whole number of shares of Common Stock will be issued, with any fractional shares to be paid in cash.

ARTICLE III. DEFERRED COMPENSATION

1. PARTICIPANT ACCOUNTS

(a) A Director who has elected to defer all or a portion of his or her Fees by filing an Election as provided in Section 4 of this Article may further elect to have such deferred amounts credited to a Cash Account, a Stock Account, or a combination of both such Accounts. The Company shall maintain such Accounts in the name of the Director.

(b) The Cash Account of a Director shall be credited on each Accounting Date with the dollar amount of such deferred compensation otherwise payable to the Director during the quarterly period ending on the Accounting Date and as to which a cash deferral election has been made. The Cash Account shall be adjusted and increased on each Accounting Date as if interest were credited thereon, based on the Prime Rate of Interest on such Accounting Date.

(c) The Stock Account of a Director shall be credited on each Accounting Date with Stock Units equal to the number of shares of Common Stock (including fractions of a share) that could have been purchased with the amount of such deferred Fees as to which a stock deferral election has been

made at the Fair Market Value on the Accounting Date. As of the date of any dividend distribution date for the Common Stock, the Director's Stock Account shall be credited with additional Stock Units equal to the number of shares of Common Stock (including fractions of a share) that could have been purchased, at the Fair Market Value on such date, with the amount which would have been paid as dividends on that number of shares (including fractions of a share) of Common Stock which is equal to the number of Stock Units then credited to the Director's Stock Account.

## 2. FINANCIAL HARDSHIP

Upon the written request of a Director or a Director's legal representative and a finding that continued deferral will result in financial hardship to the Director, the Committee (in its sole discretion) may authorize (a) the payment of all or a part of a Director's account(s) in a single installment prior to his or her ceasing to be a Director, or (b) the acceleration of payment of any multiple installments hereof; provided, however, that if, in the sole discretion of the Committee, a six-month delay in any distribution pursuant to this Section 2 of this Article shall be necessary to avoid liability of the Director under Section 16 of the Act, any such distribution shall be so postponed.

## 3. INITIAL CONVERSION

A Director may make a special one-time election on or before December 31, 1993 to convert (effective as of June 30, 1994) all or any portion of (i) his or her Cash Account to his or her Stock Account, or (ii) his or her Stock Account to his or her Cash Account. The number of Stock Units to be credited to such Director's Stock Account in the event of a conversion under (i) shall be obtained by dividing the portion of the cash balance credited to his or her Cash Account as specified in his or her election by the Fair Market Value of Ashland Common Stock on June 30, 1994. The amount to be credited to such Director's Cash Account in the event of a conversion under (ii) shall be determined by multiplying the number of Stock Units specified in his or her election by the Fair Market Value on June 30, 1994. No further conversions of Accounts may occur after June 30, 1994 except as provided in Section 4(b) of this Article.

## 4. MANNER OF ELECTION

(a) Any Director wishing to participate in the Plan must deliver to the Secretary of the Company a written notice, (i) electing to defer to a period following his or her Termination payment of all or a portion (in 25% increments)



of his or her Fees, and/or (ii) to receive all or a portion (in 25% increments) of his or her Fees in shares of Common Stock (an "Election"). The Election must be filed on or before September 30 in order to be effective for Fees earned in the immediately succeeding calendar year. Notwithstanding the foregoing, a Director may choose to participate in the Plan beginning in 1994 by filing an Election to so participate on or before December 31, 1993 (the "1994 Election"). Pursuant to the 1994 Election, if a Director chooses to defer payment of any portion of his or her Fees into the Stock Account, such Fees will be deemed deferred into the Cash Account until June 30, 1994 at which time such deferred Fees (together with accrued earnings thereon) will be automatically transferred to the Stock Account. The number of Stock Units to be credited to such Director's Stock Account upon the transfer of such amount shall be obtained by dividing such amount by the Fair Market Value of Ashland Common Stock on June 30, 1994. In addition, if a Director chooses to receive all or a portion of Fees in shares of Common Stock, such 1994 Election will not take effect until June 30, 1994.

(b) With respect to Directors' Fees payable for all or any portion of a calendar year after such person's initial election to the office of Director of the Company, any such person wishing to participate in the Plan may file a proper Election within 30 days after such election to office. Any such Election shall be effective upon filing or as soon as possible thereafter with respect to such Fees. Notwithstanding the foregoing, if a Director chooses to defer payment of any portion of his or her Fees into the Stock Account, such Fees will be deemed deferred into the Cash Account until six months after the date the Election is first effective at which time such deferred Fees (together with accrued earnings thereon) will be automatically transferred to the Stock Account. The number of Stock Units to be credited to such Director's Stock Account upon the transfer of such amount shall be obtained by dividing such amount by the Fair Market Value of Ashland Common Stock on the first business day immediately preceding the date of transfer. In addition, if a Director chooses to receive all or a portion of Fees in shares of Common Stock, such Election will take effect only with respect to the payment of Fees six months after the date of the Election and thereafter.

(c) An effective Election may not be revoked or modified (except as to changes in the designation of Beneficiary and as otherwise stated herein) with respect to Fees payable for a calendar year or portion of a calendar year for which such Election is effective. Such Election, unless terminated or modified as described below, shall apply to Fees payable with

respect to each subsequent calendar year. An effective election may be terminated or modified for any subsequent calendar year by the filing of an Election, on or before September 30 of the preceding calendar year for which such modification or termination is to be effective. A Participant will be allowed to change the Election as to the applicable payment period for all amounts deferred pursuant to such Election one time, subject to approval by the Committee. Such change must be made no later than eighteen months prior to such Participant's voluntary Termination or normal retirement from the Board at age 70. If the Participant making such change is a member of the Committee, such Participant shall abstain from the Committee's decision to approve or disapprove such change.

#### 5. MANNER OF PAYMENT UPON TERMINATION

In accordance with the Director's Election and subject to Committee approval upon payout, amounts credited to a Director's Cash and/or Stock Account will be paid in a lump sum or in the form of annual or quarterly installments in shares of Common Stock or cash, or a combination of both to the Director following his or her Termination or, in the event of his or her death, to a Beneficiary. If a Director elects to receive payment in annual installments, the payment period shall not exceed twenty (20) years following the date of the Director's Termination.

The amount of any cash distribution to be made in installments with respect to the Cash Account will be determined by multiplying (i) the current cash balance in such Cash Account by (ii) a fraction, the numerator of which is one and the denominator of which is the number of installments in which distributions remain to be made (including the current distribution). The amount of any cash distribution to be made in installments with respect to Stock Units will be determined by (i) multiplying the number of Stock Units attributable to such installment (determined as hereinafter provided) by (ii) the closing price of the Common Stock on each Accounting Date immediately prior to the date on which such installment is to be paid. The number of Stock Units attributable to an installment shall be determined by multiplying (i) the current number of Stock Units in such Stock Account by (ii) a fraction, the numerator of which is one and the denominator of which is the number of installments in which distributions remain to be made (including the current distribution).

The amount of any stock distribution to be made in installments with respect to the Stock Account shall be determined by multiplying (i) the current number Stock Units

in such Stock Account by (ii) a fraction, the numerator of which is one and the denominator of which is the number of installments in which distributions remain to be made (including the current distribution). The amount of any stock distribution to be made in installments with respect to the Cash Account shall be determined by dividing the amount of cash attributable to such installment (determined as hereinafter provided) by the closing price of the Common Stock on each Accounting Date immediately prior to the date on which such installment is to be paid. The amount of cash attributable to an installment shall be determined by multiplying (i) the current cash balance in such Cash Account by (ii) a fraction, the numerator of which is one and the denominator of which is the number of installments in which distributions remain to be made (including the current distribution).

6. PAYMENT COMMENCEMENT DATE

Payments of amounts deferred pursuant to a valid Election shall commence after a Director's Termination (i) with respect to a lump sum, on the January 2 of the year selected by a Director in his or her Election, (ii) with respect to annual installments, on the January 2 of the first year of deferred payment selected by a Director in his or her Election, and (iii) with respect to quarterly installments, on the first business day of the first calendar quarter of deferred payment selected by a Director in his or her Election. If a Director dies prior to the first deferred payment specified in an Election, payments shall commence to the Employee's Beneficiary on the first payment date so specified.

7. CHANGE IN CONTROL

Notwithstanding any provision of this Plan to the contrary, in the event of a "Change in Control" (as defined in Section 2(g) of Article I), each Director in the Plan shall receive an automatic lump sum cash distribution of all amounts accrued in the Director's Cash and/or Stock Account(s) (including interest at the Prime Rate of Interest through the business day immediately preceding the date of distribution) not later than fifteen (15) days after the date of the "Change in Control." For this purpose, the balance in the Stock Account shall be determined by multiplying the number of Stock Units by the higher of (a) the highest closing price of a share of Common Stock during the period commencing 30 days prior to such Change in Control or (b) if the Change in Control of the Company occurs as a result of a tender or exchange offer or consummation of a corporate transaction, then the highest price paid per share of Common Stock

pursuant thereto. Any consideration other than cash forming a part or all of the consideration for Common Stock to be paid pursuant to the applicable transaction shall be valued at the valuation price thereon determined by the Board.

In addition, the Company shall reimburse a Director for the legal fees and expenses incurred if the Director is required to seek to obtain or enforce any right to distribution. In the event that it is determined that such Director is properly entitled to a cash distribution hereunder, such Director shall also be entitled to interest thereon at the Prime Rate of Interest from the date such distribution should have been made to and including the date it is made. Notwithstanding any provision of this Plan to the contrary, Article I, Section 2(g) and Section 7 of this Article may not be amended after a "Change in Control" occurs without the written consent of a majority in number of Directors.

#### ARTICLE IV. OPTIONS

##### 1. OPTION GRANT

On the first business day following the Company's Annual Meeting of Shareholders in 1994 and each year thereafter until 2004, or, if no such meeting is held, on January 31 or the first business day thereafter, and each year thereafter (such day hereinafter referred to as the "Effective Date"), each person who is a Director of the Company on the Effective Date shall be automatically granted an Option to purchase 1,000 shares of Common Stock if, but only if, the return on average common stockholders' equity of the Company for the immediately preceding fiscal year as set forth in the Company's Annual Report to Shareholders is equal to or greater than 10%.

##### 2. OPTION TERMS

Options granted under the Plan shall be subject to the following terms and conditions:

(a) Option Designation and Agreement. Any Option granted under the Plan shall be granted as a Nonqualified Stock Option. Each Option shall be evidenced by an Agreement between the recipient and the Company containing the terms and conditions of the Option.

(b) Option Price. The Exercise Price of Common Stock issued pursuant to each Option shall be equal to the Fair Market Value of the Common Stock on the Effective Date.

(c) Term of Option. No Option shall be exercisable more

than ten years after the date the Option is granted.

(d) Vesting. Options granted under the Plan shall vest six months after the date of grant.

(e) Exercise. Options, to the extent they are vested, may be exercised in whole or in part at any time during the option period; provided, however, that an Option may not be exercised at any time for fewer than 50 shares (or the total remaining shares covered by the Option if fewer than 50 shares) during the term of the Option. The specified number of shares will be issued upon receipt by the Company of (i) notice from the optionee of exercise of an Option, and (ii) payment to the Company (as provided in (f) below), of the Exercise Price for the number of shares with respect to which the Option is exercised. Each such notice and payment shall be delivered or mailed by postpaid mail, addressed to the Treasurer of the Company at Ashland Oil, Inc., 1000 Ashland Drive, Russell, Kentucky, 41169, or such other place as the Company may designate from time to time.

(f) Payment for Shares. The Exercise Price for the Common Stock shall be paid in full when the Option is exercised. The Exercise Price may be paid in whole or in part (i) in cash, (ii) in whole shares of Common Stock owned by the Director six months or longer and evidenced by negotiable certificates, valued at their Fair Market Value on the date of exercise, or (iii) by a combination of such methods of payment. In addition, a Director may exercise the Option by effecting a "cashless exercise" of the Option; that is providing assurance from a broker registered under the Exchange Act, of the delivery of the proceeds of an imminent sale of the stock to be issued pursuant to the exercise of such Option, such sale to be made at the direction of the Director.

(g) Termination . If a Director's service on the Board terminates by reason of (i) normal retirement from the Board at age 70, (ii) the death or total and permanent disability within the meaning of Section 22 (e) (3) of the Code of such Director, (iii) a Change of Control of the Company, or (iv) voluntary early retirement to take a position in governmental service, any Option held by such Director may thereafter be exercised by the Director, or in the event of death by his or her Beneficiary, to the extent it was vested and exercisable at the time of termination (i) for a period equal to the number of years of completed Board service as of the date of termination of the Director on whose behalf the Option is exercised, or (ii) until the expiration of the stated term of such Option, whichever period is the shorter. In the event of termination for any reason other than those set forth

above, any Option held by such Director may thereafter be exercised by the Director to the extent it was vested and exercisable at the time of termination (i) for a period of one year from the date of such termination or (ii) until the expiration of the stated term of such Option, whichever period is the shorter.

(h) Term. No Option shall be granted pursuant to the Plan on or after the tenth anniversary of the date of shareholder approval, but Option awards granted prior to such tenth anniversary may extend beyond that date until the expiration of their terms.

## ARTICLE V. MISCELLANEOUS PROVISIONS

### 1. BENEFICIARY DESIGNATION

A Director may designate any person to whom payments are to be made if the Director dies before receiving payment of all amounts due hereunder. A designation of Beneficiary will be effective only after the signed Election is filed with the Secretary of the Company while the Director is alive and will cancel all designations of a Beneficiary signed and filed earlier. If the Director fails to designate a Beneficiary as provided above, remaining unpaid amounts shall be paid in one lump sum to the estate of such Director. If all Beneficiaries of the Director die before the Director or before complete payment of all amounts due hereunder, the remaining unpaid amounts shall be paid in one lump sum to the estate of the last to die of such Beneficiaries.

### 2. INALIENABILITY OF BENEFITS

The interests of the Directors and their Beneficiaries under the Plan may not in any way be voluntarily or involuntarily transferred, alienated or assigned, nor be subject to attachment, execution, garnishment or other such equitable or legal process. Any Option shall be exercisable, during a Director's lifetime, only by him or her or his or her Personal Representative.

### 3. GOVERNING LAW

The provisions of this Plan shall be interpreted and construed in accordance with the laws of the Commonwealth of Kentucky.

### 4. AMENDMENTS

The Committee may amend, alter or terminate this Plan at any time without the prior approval of the Directors; provided,

however, that the Committee may not, without approval by the shareholders:

- (a) materially increase the number of securities that may be issued under the Plan (except as provided in Article I, Section 3),
- (b) materially modify the requirements as to eligibility for participation in the Plan,
- (c) otherwise materially increase the benefits accruing to participants under the Plan, or
- (d) amend any provision relating to the amount, price, timing or vesting of the Options, other than to comport with changes in the Code or the rules and regulations promulgated thereunder.

5. COMPLIANCE WITH RULE 16b-3

It is the intention of the Company that the Plan comply in all respects with Rule 16b-3 promulgated under Section 16(b) of the Exchange Act and that Plan participants remain disinterested persons ("Disinterested Persons") for purposes of administering other employee benefit plans of the Company and having such other plans be exempt from Section 16(b) of the Exchange Act. Therefore, if any Plan provision is found not to be in compliance with Rule 16b-3 or if any Plan provision would disqualify Plan participants from remaining Disinterested Persons, that provision shall be deemed amended so that the Plan does so comply and the Plan participants remain disinterested, to the extent permitted by law and deemed advisable by the Committee, and in all events the Plan shall be construed in favor of its meeting the requirements of Rule 16b-3.

6. EFFECTIVE DATE

The Plan shall be submitted to the shareholders of the Company for their approval and adoption on January 27, 1994, or such other date fixed for the next meeting of shareholders or any adjournment or postponement thereof. If approved and adopted by the shareholders, the Plan will become effective as of November 4, 1993.

February 1, 1994

Ashland Oil, Inc.  
1000 Ashland Drive  
Russell, KY 41114

Gentlemen:

As Senior Vice President and General Counsel of Ashland Oil, Inc., a Kentucky corporation ("Ashland"), I have examined and am familiar with such documents, corporate records and other instruments as I have deemed necessary for the purposes of this opinion, including the Ashland Oil, Inc. Deferred Compensation and Stock Incentive Plan For Non-Employee Directors (the "Plan"), the corporate proceedings of Ashland taken to adopt the Plan, and the Registration Statement on Form S-8 (the "Registration Statement") filed by Ashland with the Securities and Exchange Commission for the registration under the Securities Act of 1933, as amended, of 500,000 shares of Common Stock, par value \$1.00 per share, of Ashland ("Common Stock") to be distributed under the Plan.

Based upon the foregoing, I am of the opinion that when certificates for such shares of Common Stock have been duly executed, countersigned by a Transfer Agent, registered by a Registrar of Ashland and paid for in accordance with applicable law and delivered in accordance with the terms of the Plan, such shares of the Common Stock will be duly authorized, validly issued, fully paid and nonassessable.

I hereby consent to the use of my opinion for filing as an exhibit to the Registration Statement.

Very truly yours,

Thomas L. Feazell

TLF/SBM/cr



Exhibit 23(a)

CONSENT OF INDEPENDENT AUDITORS

We consent to the reference to our firm under the caption "Item 5, Interests of Named Experts and Counsel" in the Registration Statement (Form S-8) pertaining to the Ashland Oil, Inc. Deferred Compensation and Stock Incentive Plan for Non-Employee Directors and to the incorporation by reference therein of our report dated November 3, 1993, with respect to the consolidated financial statements and schedules of Ashland Oil, Inc. and subsidiaries included or incorporated by reference in its Annual Report on Form 10-K (as amended by Form 10-K/A, Amendment No. 1) for the year ended September 30, 1993 filed with the Securities and Exchange Commission.

Ernst & Young  
February 1, 1994

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned Directors and Officers of ASHLAND OIL, INC., a Kentucky corporation, which is about to file with the Securities and Exchange Commission under the provisions of the Securities Act of 1933, as amended, a Registration Statement on Form S-8 relating to the Ashland Oil, Inc. Deferred Compensation and Stock Ownership Plan for Non-Employee Directors hereby constitutes and appoints JOHN R. HALL, PAUL W. CHELLGREN, THOMAS L. FEAZELL, JAMES G. STEPHENSON and DAVID L. HAUSRATH, and each of them, his or her true and lawful attorneys-in-fact and agents, with full power to act without the others to sign such Registration Statement, to affix the corporate seal of Ashland thereto and to attest said seal, and to file such Registration Statement and the exhibits thereto and any and all other documents in connection therewith with the Securities and Exchange Commission, and to do and perform any and all acts and things requisite and necessary to be done in connection with the foregoing as fully as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, may lawfully do or cause to be done by virtue hereof.

Dated: November 4, 1993

/s/ John R. Hall

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John R. Hall, Chairman of the Board of Directors, Chief Executive Officer and Director

/s/ Edmund B. Fitzgerald

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Edmund B. Fitzgerald, Director

/s/ Paul W. Chellgren

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Paul W. Chellgren, President, Chief Operating Officer and Director

/s/ Ralph E. Gomory

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Ralph E. Gomory, Director

/s/ J. Marvin Quin

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J. Marvin Quin, Chief Financial Officer and Senior Vice President

/s/ Patrick F. Noonan

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Patrick F. Noonan, Director

/s/ Kenneth L. Aulen

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Kenneth L. Aulen, Administrative Vice  
President; Controller

/s/ Jane C. Pfeiffer

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Jane C. Pfeiffer, Director

/s/ Jack S. Blanton

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Jack S. Blanton, Director

/s/ James R. Rinehart

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James R. Rinehart, Director

/s/ Thomas E. Bolger

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Thomas E. Bolger, Director

/s/ Michael D. Rose

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Michael D. Rose, Director

/s/ Samuel C. Butler

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Samuel C. Butler, Director

/s/ William L. Rouse, Jr.

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William L. Rouse, Jr., Director

/s/ Frank C. Carlucci

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Frank C. Carlucci, Director

/s/ Robert B. Stobaugh

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Robert B. Stobaugh, Director

/s/ James B. Farley

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James B. Farley, Director

/s/ James W. Vandever

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James W. Vandever, Director

CERTIFICATION

The undersigned certifies that he is Secretary of ASHLAND OIL, INC. ("ASHLAND"), a Kentucky corporation, and that, as such, he is authorized to execute this Certificate on behalf of ASHLAND and further certifies that attached is a true and correct copy of an excerpt from the minutes of a meeting of the Board of Directors of ASHLAND duly called, convened and held on November 4, 1993, at which a quorum was present and acting throughout.

IN WITNESS WHEREOF, I have signed and sealed this Certificate this 19th day of January, 1994.

/s/ Thomas L. Feazell

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Thomas L. Feazell, Secretary

(S E A L)

DEFERRED COMPENSATION AND STOCK INCENTIVE PLAN  
FOR NON-EMPLOYEE DIRECTORS

RESOLVED, that the "Ashland Oil, Inc. Deferred Compensation and Stock Incentive Plan for Non-Employee Directors", substantially in the form attached hereto as Exhibit B, (the "Plan") be, and the same hereby is, approved and adopted, subject, however, to its approval by the shareholders of the Corporation at the next Annual Meeting of said shareholders to be held on January 27, 1994 or such other date fixed for the next meeting of shareholders, or any adjournment or postponement thereof;

RESOLVED, there is hereby reserved for issuance under the Plan an additional 500,000 shares of fully paid and nonassessable \$1.00 par value Common Stock of the Corporation;

RESOLVED, that the Proxy Statement to be sent to all shareholders with respect to said Annual Meeting to be held January 27, 1994 or such other date fixed for the next meeting of shareholders, or any adjournment or postponement thereof, set forth the Plan in detail and that the form of Proxy transmitted therewith make adequate provision for a vote for, against or to abstain from the approval of such Plan. Such Proxy Statement shall also recommend and urge the granting of a proxy to vote FOR the approval of the Plan;

RESOLVED, that James B. Farley, Thomas E. Bolger, Samuel C. Butler, Jane C. Pfeiffer, and Michael D. Rose, the members of the Personnel and Compensation Committee, and successor members of such Committee be, and they hereby are, appointed as a committee (the "Committee") to administer the Plan in accordance with its terms and provisions;

RESOLVED, that the Chairman of the Board, the President, any Senior Vice President, Administrative Vice President, Vice President or the Secretary of the Corporation (the "Authorized Officers") be, and each of them hereby is, authorized to cause the Corporation to make application to the New York Stock Exchange, Inc. and the Chicago Stock Exchange, Inc. for the listing on such Exchanges, upon official notice of issuance, of the additional 500,000 shares of Common Stock to be issued pursuant to the foregoing resolutions; and that the Authorized Officers of the Corporation be, and each of them hereby is, authorized in connection with such listing applications to execute in the name and on behalf of the Corporation and under its corporate seal or otherwise, and to file or deliver all such applications, statements, certificates, agreements, and other documents as in their judgment shall be necessary, proper or advisable to accomplish such listings;

RESOLVED, that any of the Authorized Officers be, and each of them hereby is, authorized to execute and file with the Securities and Exchange Commission a Registration Statement or Registration Statements on Form S-8 or any other appropriate form with respect to shares of the Common Stock to be issued pursuant to the foregoing resolutions and cause to be delivered from time to time to participants in the Plan information required in the related Prospectus;

RESOLVED, that any of the Authorized Officers of the Corporation be, and each of them hereby is, authorized in the name and on behalf of the Corporation to take any and all action which they may deem necessary or advisable in order to effect the registration or qualification (or exemption therefrom) of the Common Stock of the Corporation issuable pursuant to the preceding resolutions for issue, offer, sale or trade under the Securities or Blue Sky Laws of any of the States of the United States of America, and in connection therewith to execute, acknowledge, verify, deliver, file or cause to be published all such applications, reports, consents to service of process, appointments of attorneys to receive service

of process, issuer s covenants, resolutions, and other papers and documents as may be required under such laws, and to take any and all further action which they may deem necessary or advisable in order to maintain any such registration or qualification for as long as they deem to be in the best interests of the Corporation; and

RESOLVED, that the Authorized Officers of the Corporation and its counsel be, and they hereby are, authorized to take all such further action and to execute and deliver all such further instruments and documents, including without limitation, powers of attorney, in the name and on behalf of the Corporation and under its corporate seal or otherwise, and to pay all such expenses as in their judgment shall be necessary, proper or advisable in order fully to carry out the intent and to accomplish the purposes of the foregoing resolutions and each of them; and the Board of Directors hereby adopts the form of all resolutions required to be delivered or filed in connection with carrying out the intent of and accomplishing the purposes of the foregoing resolutions if (i) in the judgment of the Authorized Officers of the Corporation so acting, the adoption of such resolutions is necessary or advisable and (ii) the Secretary or an Assistant Secretary of the Corporation evidences such adoption by filing with the minutes of this meeting copies of such resolutions, which shall thereupon be deemed to be adopted by this Board of Directors and incorporated in the minutes as a part of these resolutions with the same force and effect as if presented specifically to this meeting.