

SECURITIES AND EXCHANGE COMMISSION

FORM S-8

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

Filing Date: **1995-02-22**
SEC Accession No. **0000101830-95-000006**

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FILER

SPRINT CORP

CIK: **101830** | IRS No.: **480457967** | State of Incorporation: **KS** | Fiscal Year End: **1231**
Type: **S-8** | Act: **33** | File No.: **033-57785** | Film No.: **95514215**
SIC: **4813** Telephone communications (no radiotelephone)

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NULL
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P O BOX 11315
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9136243000

As filed with the Securities and Exchange Commission on
February 22, 1995

Registration No. 33-

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form S-8
REGISTRATION STATEMENT
Under
THE SECURITIES ACT OF 1933

SPRINT CORPORATION
(Exact name of registrant as specified in its charter)

Kansas	48-0457967
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

Post Office Box 11315, Kansas City, Missouri 64112
(Address of principal executive offices)

SPRINT CORPORATION
1990 RESTRICTED STOCK PLAN
(Full title of the Plan)

DON A. JENSEN
Vice President and Secretary
P.O. Box 11315
Kansas City, Missouri 64112
(Name and address of agent for service)

Telephone number, including area code, of agent for service:
(913) 624-3326

<TABLE>
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CALCULATION OF REGISTRATION FEE

Amount	Proposed maximum	Proposed maximum	Amount of
--------	---------------------	---------------------	-----------

Title of securities to be registered	to be registered	offering price per share	aggregate offering price	registration fee
<S>	<C>	<C>	<C>	<C>
Shares of Common Stock (\$2.50 par value)	100,000	\$29.625	\$2,962,500	\$1022

<FN>
 <FN-1>Estimated solely for purposes of determining the registration fee in accordance with Rule 457(h)(1). The average of the high and low prices of the Common Stock on February 17, 1995, as reported in the consolidated reporting system, was \$29.625.

</TABLE>

Pursuant to Rule 429 under the Securities Act of 1933, the Prospectus relating to this Registration Statement meets the requirements for use in connection with the shares of common stock registered under the following Registration Statement on Form S-8: No. 33-50421 pertaining to the 1990 Restricted Stock Plan.

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PART II. INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference

The following documents filed by Sprint Corporation ("Sprint") with the Securities and Exchange Commission (File No. 1-4721) are incorporated in this Registration Statement by reference:

Sprint's Annual Report on Form 10-K for the year ended December 31, 1993; its Quarterly Reports on Form 10-Q for the quarters ended March 31, June 30 and September 30, 1994; and its Current Reports on Form 8-K dated May 16, June 6, June 7, June 14 and October 25, 1994.

All documents subsequently filed by Sprint pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, prior to the filing of a post-effective amendment which indicates that all securities offered have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference in this Registration Statement and to be part of this Registration Statement from the date of

the filing of such documents. Sprint expressly excludes from such incorporation the Report of the Compensation Committee, the Performance Graph and any Report on Repricing of Options/SARs contained in any proxy statement filed by Sprint pursuant to Section 14 of the Securities Exchange Act of 1934 subsequent to the date of filing of this Registration Statement and prior to the termination of the offering of the securities covered by this Registration Statement.

Item 4. Description of Securities

The authorized capital stock of Sprint consists of 500,000,000 shares of Sprint Common Stock and 20,000,000 shares of Sprint Preferred Stock. The authorized but unissued shares of Sprint Preferred Stock are issuable in one or more series, with such designations, preferences and relative, participating, optional or special rights, if any, and the qualifications, limitations or restrictions thereof as may be fixed and determined by resolution of the Board of Directors of Sprint (the "Sprint Board").

The following are brief summaries of certain provisions with respect to Sprint Common Stock, par value \$2.50 per share, contained in Sprint's Articles of Incorporation, as amended. Such statements are qualified in their entirety by reference to such Articles. The term Preferred Stock, as hereinafter used, includes the Preferred Stock-First Series, Convertible (the "First Series"), Preferred Stock-Second Series, Convertible (the "Second Series"), Preferred Stock-Third Series, 7-3/4% Cumulative (the "Third Series"), and Preferred Stock-Fifth Series (the "Fifth Series") and any other series hereinafter established by the Sprint Board and issued by Sprint (including, if issued, the Preferred Stock-Fourth Series, Junior Participating referred to below under "Shareholder Rights"). Sprint Common Stock is listed and traded on the New York, Chicago and Pacific Stock Exchanges.

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Dividend Rights and Restrictions

Subject to certain dividend restrictions of indentures and other borrowing agreements and to the preferential rights of the Preferred Stock, holders of Sprint Common Stock are entitled to dividends as declared thereon by the Sprint Board only out of net income or earned surplus. The most restrictive covenants applicable to dividends are contained in a revolving credit agreement. Among other restrictions, this agreement requires Sprint to maintain specified levels of consolidated net worth, as defined. As a result of this requirement, \$1.67 billion of Sprint's \$2.73 billion consolidated retained earnings was

effectively restricted from payment of dividends as of December 31, 1994. Before any dividends on Sprint Common Stock may be paid or declared and set apart for payment, full cumulative dividends on the Sprint Preferred Stock must be paid or declared and set apart for payment. If Sprint fails to purchase the Fifth Series shares upon tender by the holders, it is precluded from declaring or paying dividends on its Common Stock until it has deposited the funds necessary for the purchase of such shares. Upon the issuance of other series of Preferred Stock, the Sprint Board may provide for dividend restrictions on Sprint Common Stock as to such series.

Voting Rights

Except as hereinafter noted, holders of Sprint Common Stock and the First Series, the Second Series and the Fifth Series are entitled at each stockholders' meeting of Sprint, as to each matter to be voted upon, to cast one vote for each share held of record on the books of Sprint.

The Preferred Stock is entitled to vote as a class with respect to certain matters affecting preferences of the Preferred Stock or creating prior ranking or parity stock. If six quarterly dividends on any series of the Preferred Stock are in arrears, or if any sinking fund payment on any series of the Sprint Preferred Stock has been in arrears for more than one year, the number of Sprint's directors will be increased by two and the holders of Preferred Stock voting as a class will be entitled to elect two directors until all arrears in dividends and sinking fund payments have been paid, and in such event Sprint Common Stock and all voting series of the Preferred Stock would be entitled to elect the remaining directors. If no dividends or less than full cumulative dividends on the Fifth Series shall have been paid for each of four consecutive dividend periods, or if arrearages in the payment of dividends on the Fifth Series shall have cumulated in an amount equal to full cumulative dividends on the Fifth Series for six quarterly dividend periods, the holders of the Fifth Series, acting alone, will be entitled to elect the smallest number constituting a majority of Sprint's Directors then to be elected until all arrears in such dividends are paid or set aside for payment.

The Sprint Board is divided into three classes, with each class consisting, as nearly as possible, of one-third of the total number of directors and serving a staggered three-year term. Only one class is elected each year, and it is elected for a three-year term. Sprint stockholders are not entitled to cumulative voting rights in the election of directors.

Sprint's Articles of Incorporation require that certain business combinations initiated by a holder of at least 10 percent of Sprint's voting stock must be approved by the holders of 80 percent of the outstanding voting stock.

Restriction on Purchase of Equity Securities by Sprint

Sprint's Articles of Incorporation prohibit Sprint from purchasing its own equity securities from an owner of 5 percent or more of such equity securities (if any of the securities have been held for less than two years) at a premium over market price unless Sprint either (1) obtains the approval of the holders of a majority of the shares of Sprint's outstanding voting stock (excluding the shares held by the 5 percent security holder) or (2) makes a tender or exchange offer to purchase securities of the same class on the same terms to all holders of such equity securities.

Shareholder Rights

Each share of Sprint Common Stock issued prior to the occurrence of certain takeover events has one-half of a Right attached in accordance with the terms of a Shareholder Rights Plan adopted by Sprint on August 8, 1989. The Rights do not become exercisable and do not separate from the shares of Common Stock until the occurrence of such takeover events. Each Right, when it becomes exercisable, entitles the holder to purchase a unit consisting of one one-hundredth of a share of Preferred Stock-Fourth Series, Junior Participating at a price of \$235 per unit, or to purchase Sprint Common Stock or common stock of the acquiring company having a value equal to two times the exercise price of the Right, depending upon the circumstances. Under certain circumstances, Rights beneficially owned by a person or group of affiliated or associated persons who have acquired, or obtained the right to acquire, beneficial ownership of 20 percent or more of the outstanding shares of Sprint Common Stock become null and void. The Rights may be redeemed by Sprint at a price of one cent per Right and expire on September 8, 1999.

Liquidation Rights

In the event of liquidation, holders of Sprint Common Stock will be entitled to share ratably in any assets remaining after the satisfaction in full of the prior rights of creditors, including holders of Sprint indebtedness, and the aggregate liquidation preference of any Sprint Preferred Stock then outstanding.

Preemptive Rights

No holder of shares of Sprint Common Stock or any other capital stock of Sprint is entitled to preemptive rights or subscription rights, other than pursuant to the Rights referred to under "Shareholder Rights" above.

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Fully Paid

The outstanding shares of Sprint Common Stock are, and the shares of Sprint Common Stock offered hereby when issued will be, fully paid and nonassessable.

Transfer Agents and Registrars

The Transfer Agents and Registrars for Sprint Common Stock are UMB Bank, n.a. (Missouri), and Chemical Bank (New York).

Item 5. Interests of Named Experts and Counsel.

The validity of the authorized and unissued shares of Sprint Common Stock to be issued under the 1990 Restricted Stock Plan was passed upon by Don A. Jensen, Esq., Vice President and Secretary of Sprint.

Item 6. Indemnification of Directors and Officers.

Consistent with Section 17-6305 of the Kansas Statutes Annotated, Article IV, Section 11 of the Bylaws of Sprint provides that Sprint will indemnify directors and officers of the corporation against expenses, judgments, fines and amounts paid in settlement in connection with any action, suit or proceeding if the director or officer acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of Sprint. With respect to a criminal action or proceeding, the director or officer must also have had no reasonable cause to believe his conduct was unlawful.

Under Section 11, Sprint may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of Sprint, or who is or was serving at the request of Sprint as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability arising out of his status as such, whether or not Sprint would be required to indemnify such persons against such liability. Sprint carries standard directors and officers liability coverage for its directors and officers. Subject to certain limitations and exclusions, the policies reimburse Sprint for liabilities indemnified under

Section 11 and indemnify directors and officers of Sprint against additional liabilities not indemnified under Section 11.

Sprint has entered into indemnification agreements with its directors and officers. These agreements provide for the indemnification, to the full extent permitted by law, of expenses, judgments, fines, penalties and amounts paid in settlement incurred by the director or officer in connection with any threatened, pending or completed action, suit or proceeding on account of service as a director, officer or agent of Sprint.

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Item 8. Exhibits.

Exhibit

Number Exhibit

- 4A. Article Fifth, Article Sixth, Article Seventh and Article Eighth of the Articles of Incorporation of Sprint Corporation (the Articles of Incorporation are filed as Exhibit 4 to Sprint Corporation's Current Report on Form 8-K dated March 9, 1993 and incorporated herein by reference).
- 4B. Rights Agreement dated as of August 8, 1989, between Sprint Corporation (formerly United Telecommunications, Inc.) and UMB Bank, n.a. (formerly United Missouri Bank of Kansas City, N.A.) as Rights Agent (filed as Exhibit 2(b) to Sprint Corporation's Registration Statement on Form 8-A dated August 11, 1989 (File No. 1-4721) and incorporated herein by reference).
- 4C. Amendment and supplement dated June 4, 1992 to Rights Agreement dated as of August 8, 1989 (filed as Exhibit 2(c) to Amendment No. 1 on Form 8 dated June 8, 1992 to Sprint Corporation's Registration Statement on Form 8-A dated August 11, 1989 (File No. 1-4721), and incorporated herein by reference).
- 5. Opinion and consent of Don A. Jensen, Esq.
- 23-A. Consent of Ernst & Young LLP.
- 23-B. Consent of Arthur Andersen LLP.
- 23-C. Consent of Don A. Jensen, Esq. is contained in his opinion filed as Exhibit 5.
- 24. Power of Attorney is contained on page II-7 of this

99. 1990 Restricted Stock Plan, as amended.

Item 9. Undertakings.

The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales of the securities being registered 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, unless such information is contained in a periodic report filed by the registrant pursuant to Section 13 or Section

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15(d) of the Securities Exchange Act of 1934 and incorporated herein by reference;

(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, unless such information is contained in a periodic report filed by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 and incorporated herein by reference; and

(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.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, 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.

(4) 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 Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to 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.

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 described under Item 6 above, 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 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, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Westwood, State of Kansas, on the 22nd day of February, 1995.

SPRINT CORPORATION

By /s/ W.T. Esrey
(W. T. Esrey, Chairman of the Board)

POWER OF ATTORNEY

We, the undersigned officers and directors of Sprint Corporation, hereby severally constitute W. T. Esrey, A. B. Krause and J.R. Devlin and each of them singly, our true and lawful attorneys with full power to them, and each of them singly, to sign for us and in our names in the capacities indicated below the Registration Statement filed herewith and any and all amendments to said Registration Statement, and generally to do all such things in our name and behalf in our capacities as officers and directors to enable Sprint Corporation to comply with the provisions of the Securities Act of 1933, as amended, and all requirements of the Securities and Exchange Commission, hereby ratifying and confirming our signatures as they may be signed by our said attorneys, or any of them, to said Registration Statement and any and all amendments thereto.

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

<TABLE>
<CAPTION>

Name	Title	Date
<S>	<C>	<C>
	Chairman of the Board and)	
	Chief Executive Officer)	
/s/ W. T. Esrey	(Principal Executive)	
(W. T. Esrey	Officer))	
)	
	Executive Vice President)	
	and Chief Financial Officer)	
/s/ A. B. Krause	(Principal Financial)	February 22,
(A. B. Krause)	Officer))	1995
)	
)	
	Senior Vice President and)	
	Controller)	
	(Principal Accounting)	
/s/ John P. Meyer	Officer))	
(J. P. Meyer))	

<CAPTION>

Name	Title	Date
<S>	<C>	<C>
/s/ DuBose Ausley (DuBose Ausley)	Director)
/s/ W. L. Batts (W. L. Batts)	Director)
/s/ Ruth M. Davis (R. M. Davis)	Director)
/s/ Donald J. Hall (D. J. Hall)	Director)
/s/ P. H. Henson (P. H. Henson)	Director)
/s/ H. S. Hook (H. S. Hook)	Director)
/s/ R. E. R. Huntley (R. E. R. Huntley)	Director) February 22, 1995
/s/ Ronald T. LeMay (R. T. LeMay)	Director)
/s/ Linda K. Lorimer (L. K. Lorimer)	Director)
(C. H. Price II)	Director)
/s/ F. E. Reed (F. E. Reed)	Director)
/s/ C. E. Rice (C. E. Rice)	Director)
/s/ Stewart Turley (Stewart Turley)	Director)

</TABLE>

Exhibit Index

Exhibit

- 4A. Article Fifth, Article Sixth, Article Seventh and Article Eighth of the Articles of Incorporation of Sprint Corporation (the Articles of Incorporation are filed as Exhibit 4 to Sprint Corporation's Current Report on Form 8-K dated March 9, 1993 and incorporated herein by reference).
- 4B. Rights Agreement dated as of August 8, 1989, between Sprint Corporation (formerly United Telecommunications, Inc.) and UMB Bank, n.a. (formerly United Missouri Bank of Kansas City, N.A.) as Rights Agent (filed as Exhibit 2(b) to Sprint Corporation's Registration Statement on Form 8-A dated August 11, 1989 (File No. 1-4721) and incorporated herein by reference).
- 4C. Amendment and supplement dated June 4, 1992 to Rights Agreement dated as of August 8, 1989 (filed as Exhibit 2(c) to Amendment No. 1 on Form 8 dated June 8, 1992 to Sprint Corporation's Registration Statement on Form 8-A dated August 11, 1989 (File no. 1-4721), and incorporated herein by reference).
5. Opinion and consent of Don A. Jensen, Esq.
- 23-A. Consent of Ernst & Young LLP.
- 23-B. Consent of Arthur Andersen LLP.
- 23-C. Consent of Don A. Jensen, Esq. is contained in his opinion filed as Exhibit 5.
26. Power of Attorney is contained on page II-7 of this Registration Statement.
99. 1990 Restricted Stock Plan, as amended.

February 22, 1995

Sprint Corporation
P.O. Box 11315
Kansas City, Missouri 64112

Re: 100,000 Shares of Common Stock (par value \$2.50 per share) of Sprint Corporation, issuable in connection with the 1990 Restricted Stock Plan

Gentlemen:

I have acted as your counsel in connection with the proposed offering and issuance of an aggregate of 100,000 additional shares of your Common Stock ("Additional Shares"), \$2.50 par value, referred to in the Registration Statement on Form S-8 (the "Registration Statement"), to be filed with the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended (the "Act"). In such connection, I have examined the Registration Statement and I am familiar with the corporate proceedings taken by your Board of Directors and officers in connection with the authorization and issuance of the Additional Shares and related matters, and I have reviewed such documents, records and matters of law as I have considered necessary for rendering my opinion hereinafter set forth.

Based upon the foregoing, I am of the opinion that:

1. Sprint Corporation is a corporation duly organized and validly existing under the laws of the State of Kansas.
2. The Additional Shares have been duly and validly authorized and, when (i) the Registration Statement has become effective under the Act and (ii) the Additional Shares are issued in the manner and upon the terms set forth in the 1990 Restricted Stock Plan, such Additional Shares will be legally issued, fully paid and nonassessable.

I hereby consent to the filing of this opinion as an exhibit to the Registration Statement. In giving such consent, I do not thereby admit that I am in the category of persons whose consent is required under Section 7 of the Act.

Very truly yours,

/s/ Don A. Jensen

Don A. Jensen

DAJ/lb

Consent of Independent Auditors

We consent to the incorporation by reference in the Registration Statement (Form S-8) pertaining to the Sprint Corporation 1990 Restricted Stock Plan of our report dated February 2, 1994, with respect to the consolidated financial statements and schedules of Sprint Corporation included in its Annual Report (Form 10-K) for the year ended December 31, 1993, filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP
Ernst & Young LLP

Kansas City, Missouri
February 22, 1995

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our report on the financial statements of Centel Corporation (a Kansas corporation) dated February 3, 1993, included in Sprint Corporation's Annual Report on Form 10-K for the year ended December 31, 1993, which document is incorporated by reference in Sprint Corporation's Form S-8 registering 100,000 common shares for the Sprint Corporation 1990 Restricted Stock Plan.

/s/ Arthur Andersen LLP
ARTHUR ANDERSEN LLP

Chicago, Illinois,
February 22, 1995

1990 RESTRICTED STOCK PLAN

(as amended June 9, 1992, August 10, 1993, December 13, 1994 and February 18, 1995)

Section 1. Establishment.

Pursuant to the Sprint Long-Term Stock Incentive Program (the "Program"), Sprint Corporation, a Kansas corporation (the "Company"), hereby establishes a restricted stock plan to be named the 1990 Restricted Stock Plan (the "Plan").

Section 2. Purpose.

The purpose of the Plan is to aid the Company and its subsidiaries in competing with other enterprises for the services of new key personnel needed to help ensure their continued development. The Plan will also help the Company and its subsidiaries retain key personnel.

Section 3. Administration.

The Plan shall be administered by the Organization and Compensation Committee (the "Compensation Committee") of the Board of Directors of the Company. Members of the Compensation Committee shall be Disinterested Persons as defined in the Program. The Compensation Committee shall hold its meetings at such times and places as it may determine. A majority of the Compensation Committee shall constitute a quorum and the acts of a majority of the members present at any meeting at which a quorum is present, or acts approved in writing by a majority of the Compensation Committee, shall be deemed the acts of the Compensation Committee. The Compensation Committee may delegate to the Chief Executive Officer of the Company (the "CEO") the right to grant awards of restricted stock to employees of the Company and its subsidiaries who are not officers or directors of the Company and to cancel or suspend such awards. The CEO may not make awards of restricted stock to any one individual in excess of 15,000 shares and may not make awards of restricted stock aggregating in excess of 50,000 shares between meetings of the Compensation Committee. The awards made by the CEO shall be reported to the Compensation Committee at each of its meetings.

The Company shall issue shares of restricted stock under the Plan in accordance with determinations made by the Compensation Committee or the CEO pursuant to the provisions of the Plan and the Program. The Compensation Committee from time to time may

adopt (and thereafter amend and rescind) such rules and regulations for carrying out the Plan and take such action in the administration of the Plan, not inconsistent with the provisions of the Plan and the Program, as it shall deem proper. Except as set forth in Section 6(a) hereof, the Compensation Committee may accelerate the time or times at which restrictions lapse and may waive any forfeiture of restricted stock. The interpretation and construction of any provisions of the Plan by the Compensation Committee shall, unless otherwise determined by the Board of Directors of the Company, be final and conclusive. No member of the Board of Directors or the Compensation Committee shall be liable for any action or determination made in good faith with respect to the Plan or any grant under it.

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Section 4. Total Number of Shares Subject to Grant.

The maximum number of shares of common stock (\$2.50 par value) of the Company which may be issued under the Plan shall not exceed 300,000 (subject to adjustment as provided in Section 7 hereof). The shares issued under the Plan may be either treasury shares or authorized but unissued shares, as the Board of Directors from time to time may determine. The maximum number of shares of common stock which may be issued in any calendar year, together with shares of common stock subject to other awards under the Program, shall not exceed the limits set forth in Section 4(a) of the Program.

In the event that any outstanding shares of restricted stock under the Plan are forfeited for any reason, such shares of common stock may again be subject to grant under the Plan.

Section 5. Eligibility.

Restricted stock shall be granted only to key employees of the Company or its subsidiaries, including new hires. No grants shall be made by the CEO to any individual who is an officer or director of the Company or who will be proposed to be elected as an officer or director at the next meeting of the Board of Directors or Stockholders of the Company. The Compensation Committee or the CEO will, in its discretion, determine the key employees to be granted restricted stock, the time or times at which restricted stock shall be granted, the number of shares to be granted and the duration of restrictions on the shares granted. In making such determination, the Compensation Committee and the CEO may take into consideration the value of the services rendered or to be rendered by the respective individuals, their present and potential contributions to the success of the Company and its affiliates and such other factors

which the Compensation Committee or the CEO may deem relevant in accomplishing the purposes of the Plan.

No restricted stock may be granted to any individual who immediately after the grant owns directly or indirectly stock possessing more than five percent (5%) of the total combined voting power or value of all classes of stock of the Company or any subsidiary. No person shall be eligible to receive a larger number of shares of restricted stock than is recommended for such individual by the Compensation Committee or the CEO.

Section 6. Terms and Conditions of Grants.

Each grant under the Plan shall be evidenced by an Agreement in such form not inconsistent with the Plan as the Compensation Committee or the CEO shall determine; provided that the substance of the following terms and conditions be included therein:

(a) Duration of Restrictions. The restrictions on restricted stock shall lapse at such time or times as determined by the Compensation Committee or the CEO; provided, however, that no restricted stock shall become free of restrictions prior to the first anniversary date of the granting of the restricted stock.

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(b) Nontransferable. The employee who receives the restricted stock (the "Grantee") may not sell, transfer, assign, pledge, or otherwise encumber or dispose of shares of restricted stock, except in payment of the exercise price of a stock option issued by the Company, until such time as all restrictions on such stock have lapsed.

(c) Termination of Employment. If, before the restrictions on shares of restricted stock lapse, the Grantee ceases to be employed by the Company or a subsidiary of the Company for any reason (including death or disability), the shares of restricted stock that continue to be restricted shall be forfeited and the Grantee or his representative shall sign any document and take any other action required to assign said restricted shares back to the Company.

(d) Consideration. Each Grantee shall, as consideration for the grant of restricted stock, agree in writing to remain in the employ of the Company or of one of its subsidiaries, at the pleasure of the Company or of such

subsidiary, for the period of time until the restrictions on the restricted stock lapse. Nothing contained in the Plan or in any Agreement shall confer upon any Grantee any right with respect to continuance of employment by the Company or its subsidiaries, nor interfere in any way with the right of the Company or its subsidiaries to terminate the Grantee's employment or change the Grantee's compensation at any time.

- (e) Interest in Competitor. In the event that any Grantee, without the consent of the Compensation Committee, renders services to, or owns any interest in (other than any nonsubstantial interest, as determined by the Compensation Committee) any business that is in competition with the Company or with any business in which the Company has a substantial interest, as determined by the Compensation Committee, any restricted stock shall automatically be forfeited. The decision of the Compensation Committee on any such matters shall be final and binding upon all concerned.

- (f) Rights as Stockholder. Except as set forth in the Plan, a Grantee will have all rights of a stockholder with respect to shares of restricted stock, including the right to vote the shares of stock and the right to dividends on the stock. The shares of restricted stock will be registered in the name of the Grantee and the certificates evidencing such shares shall bear an appropriate legend referring to the terms, conditions and restrictions applicable to the award and shall be held in escrow by the Company. The Grantee shall execute a stock power or powers assigning the shares of restricted stock back to the Company, which stock powers shall be held in escrow by the Company and used only in the event of the forfeiture of any of the shares of restricted stock. A certificate evidencing unrestricted shares of common stock shall be issued to the Grantee promptly after the restrictions lapse on any restricted shares.

- (g) A Grantee subject to Section 16 of the Securities Exchange Act of 1934 (the "Exchange Act") who recognizes income under the federal income tax by

reason of the lapsing of restrictions on shares of restricted stock without having filed an election under Section 83(b) of the Internal Revenue Code with respect to such shares may elect (i) to have withheld from such

shares on the date such income is recognized (the "Tax Date") in payment of withholding for federal, state, and local income taxes a number of shares equal to the greatest whole number of shares having a fair market value for federal income tax purposes on the Tax Date less than or equal to the Minimum Withholding Amount, as defined herein, and (ii) to deliver to the Company shares of the Company's Common Stock (which, if acquired from the Company shall have been held for a period of at least six months on the Tax Date) on or before the Tax Date in payment of such withholding taxes a number of shares equal to the greatest whole number of shares having a fair market value for federal income tax purposes on the Tax Date less than or equal to the Withholding Amount, as defined herein, minus the amount, if any, withheld pursuant to clause (i) preceding. The Grantee must pay to the Company in cash the excess, if any, of (1) the amount the Company is required by law to withhold over (2) the fair market value on the Tax Date for federal income tax purposes of the shares withheld or delivered pursuant to this subsection.

For purposes of this subsection 6(g):

"Minimum Withholding Amount" means the product of (1) the amount includible in the Grantee's income for federal income tax purposes by reason of the lapsing of such restrictions and (2) the sum of the minimum required withholding tax rates for federal, state, and local income taxes.

"Withholding Amount" means the product of (1) the amount includible in the Grantee's income for federal income tax purposes by reason of the lapsing of such restrictions and (2) a rate, specified by the Grantee, not exceeding the sum of the Grantee's marginal tax rates for federal, state, and local income taxes.

An election pursuant to this subsection must be irrevocable and made in writing (1) at least six months before the Tax Date or (2) on or before the Tax Date and within a "window period" as described in Rule 16b-3(e) (iii) under the Exchange Act.

An election pursuant to this subsection is subject to the approval of the Compensation Committee in accordance with such rules as the Compensation Committee may from time to time adopt. An election

pursuant to this subsection shall not be effective unless the Tax Date occurs on or after the later of (1) the date six months after the date the shares were granted, (2) the date six months after the effective date of this provision, and (3) the date six months after the Grantee became subject to section 16 of the Exchange Act.

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Section 7. Change in Stock, Adjustments, Etc.

In the event that the outstanding shares of common stock of the Company are hereafter increased or decreased or changed into or exchanged for a different number of shares or kind of shares or other securities of the Company or of another corporation, by reason of reorganization, merger, consolidation, recapitalization, reclassification, stock split-up, combination of shares, or a dividend payable in capital stock, outstanding shares of restricted stock shall be treated the same as other outstanding shares of common stock and appropriate adjustment shall be made by the Compensation Committee in the number and kind of shares that may be granted under the Plan and that may be granted by the CEO under the Plan.

The grant of restricted stock pursuant to the Plan shall not affect in any way the right or power of the Company to make adjustments, reclassifications, reorganizations or changes of its capital or business structure or to merge or to consolidate or to dissolve, liquidate, or sell or transfer all or any part of its business or assets.

Section 8. Duration, Amendment and Termination.

The Board of Directors of the Company may at any time terminate the Plan or make such amendments thereof as it shall deem advisable and in the best interests of the Company; provided, however, that no such termination or amendment shall, without the consent of the individual to whom any restricted stock shall theretofore have been granted, affect or impair the rights of such individual with respect to such restricted stock; and provided further, that any such amendment shall be consistent with the provisions of the Program, as it may be amended from time to time.

No restricted stock shall be granted under the Plan after April 18, 1999.

Section 9. Effectiveness of Plan.

This Plan shall be effective as of February 17, 1990.

Section 10. Date of Granting of Restricted Stock.

The granting of restricted stock pursuant to the Plan shall take place on the date the Compensation Committee or the CEO decides to grant the restricted stock. As soon as practicable but no later than twenty (20) days after the granting of the restricted stock, the Company shall notify the employee of the grant and, within sixty (60) days of the granting of the restricted stock, the Company shall submit to the employee an Agreement duly executed by and on behalf of the Company, and a stock power or powers with respect to the restricted stock, with the request that the employee execute the Agreement and stock powers within sixty (60) days after the mailing by the Company of the notice to the employee. The employee shall execute the written Agreement and stock powers within said 60-day period.