SECURITIES AND EXCHANGE COMMISSION
Washington, D.C 20549

FORM 10-K

Annual Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

For the fiscal year ended	Commission file number
December 31, 1998	1-9608

NEWELL CO.
(Exact name of Registrant as specified in its charter)

DELAWARE	36-3514169
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
Newell Center 29 East Stephenson Street Freeport, Illinois (Address of principal executive offices)	61032-0943 (Zip Code)

Registrant's telephone number, including area code: (815) 235-4171

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, $1 par value per share, and associated Common Stock Purchase Rights	New York Stock Exchange Chicago Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No
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Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. (X)

There were 162.7 million shares of the Registrant's Common Stock outstanding as of December 31, 1998. The aggregate market value of the shares of Common Stock (based upon the closing price on the New York Stock Exchange on that date) beneficially owned by nonaffiliates of the Registrant was approximately $6,381.3 million. For purposes of the foregoing calculation only, which is required by Form 10-K, the Registrant has included in the shares owned by affiliates those shares owned by directors and officers of the Registrant, and such inclusion shall not be construed as an admission that any such person is an affiliate for any purpose.

Documents Incorporated by Reference

Part III

Portions of the Registrant's Definitive Proxy Statement for its Annual Meeting of Stockholders to be held May 26, 1999.

Item 1. Business

"Newell" or the "Company" refers to Newell Co. alone or with its wholly-owned subsidiaries, as the context requires.

GENERAL

The Company is a manufacturer and full-service marketer of staple consumer products sold to high-volume purchasers, including, but not limited to, discount stores and warehouse clubs, home centers and hardware stores, and office superstores and contract stationers. The Company's basic business strategy is to merchandise a multi-product offering of brand name consumer products, which are concentrated in product categories with relatively steady demand not dependent on changes in fashion, technology or season, and to differentiate itself by emphasizing superior customer service. The Company's multi-product offering consists of staple consumer products in three major product groups: Hardware and Home Furnishings, Office Products, and Housewares. The Company's primary financial goals are to increase sales and earnings per share an average of 15% per year, to achieve an annual return on beginning equity of 20% or above, to increase dividends per share in line with earnings growth and to maintain a prudent ratio of total debt to total capitalization, net of cash ("leverage"). For the ten years ended December 31, 1998, the Company's compound annual growth rates for sales and earnings per share were 13% and 16%, respectively, its average annual return on beginning equity was 21%, its compound annual growth rate for dividends per share was 18% and its average leverage were 26%.

The Company's growth strategy emphasizes acquisitions and internal growth. The Company has grown both domestically and internationally by acquiring businesses with brand name product lines and improving the profitability of such businesses through an integration process called "Newellization." Since 1990, the Company has completed more than 20 major acquisitions (excluding Rubbermaid) representing approximately $3 billion in additional sales. The Company supplements acquisition growth with internal growth, principally by introducing new products, entering new domestic and international markets, adding new customers, cross-selling existing product lines to current customers and supporting its U.S.-based customers' international expansion.

On October 20, 1998, the Company and Rubbermaid Incorporated ("Rubbermaid") entered into an Agreement and Plan of Merger ("Merger Agreement"), providing for the merger of a subsidiary of the Company into Rubbermaid, leaving Rubbermaid a wholly owned subsidiary of Newell ("Proposed Merger"). After the Proposed Merger, the Company will be re-named "Newell Rubbermaid Inc." The Proposed Merger will be accounted for as a pooling of interests and will be tax-free for federal income tax purposes. The Company and Rubbermaid expect the

Proposed Merger to become effective before the end of the first quarter of 1999. All information in this Report pertains to the Company prior to the Proposed Merger, unless explicity stated otherwise.

Forward-looking statements in this Report are made in reliance upon the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements may relate to, but are not limited to, such matters as sales, income, earnings per share, return on equity, capital expenditures, dividends, capital structure, free cash flow, debt to capitalization ratios, internal growth rates, Euro conversion plans and related risks, Year 2000 plans and related risks, pending legal proceedings and claims (including environmental matters), future economic performance, management's plans, goals and objectives for future operations and growth or the assumptions relating to any of the forward-looking information. The Company cautions that forward-looking statements are not guarantees since there are inherent difficulties in predicting future results. Actual results could differ materially from those expressed or implied in the forward-looking statements. Factors that could cause actual results to differ include, but are not limited to, those matters set forth in this Report, the documents incorporated by reference herein and Exhibit 99 to this Report.

PRODUCT GROUPS

The Company's three product groups are Hardware and Home Furnishings, Office Products, and Housewares.

HARDWARE AND HOME FURNISHINGS

Window Treatments

The Company's window treatments business is conducted by the Levolor Home Fashions, Newell Window Furnishings and Newell Window Fashions Europe divisions. Levolor Home Fashions and Newell Window Furnishings primarily design, manufacture or import, package and distribute drapery hardware, made-to-order and stock horizontal and vertical blinds, and pleated, cellular and roller shades for the retail marketplace. Levolor Home Fashions also produces window treatment components for custom window treatment fabricators. Newell Window Fashions Europe primarily designs, manufactures, packages and distributes drapery hardware and made-to-order window treatments for the European retail marketplace.

Levolor Home Fashions, Newell Window Furnishings and Newell Window Fashions Europe products are sold primarily under the trademarks Newell{R}, Levolor{R}, Louverdrape{R}, Del Mar{R},

Kirsch{R}, Acrimo{TM}, Swish{R}, Gardinia{TM}, Spectrim{R}, MagicFit{R}, Riviera{R} and Levolor Cordless{TM}.

Levolor Home Fashions and Newell Window Furnishings market their products directly and through distributors to mass merchants, home centers, department/specialty stores, hardware distributors, custom shops and select contract customers, using a network of manufacturers' representatives, as well as regional account and market-specific sales managers. Newell Window Fashions Europe markets its products to mass merchants and buying groups using a direct sales force.

Principal U.S. facilities are located in Freeport, Illinois; High Point, North Carolina and Sturgis, Michigan. Principal foreign facilities are located in Prescott, Ontario, Canada; Ablis, France; Isny, Germany; Milan, Italy; Lisbon, Portugal; Vitoria, Spain; Malmo, Sweden; and Tamworth, Great Britain.

Hardware and Tools

The Company's hardware and tools business is conducted by the Amerock Cabinet and Window Hardware Systems, Bulldog Fastener, EZ Paintr and BernzOmatic divisions. Amerock Cabinet and Window Hardware Systems manufacture or import, package and distribute cabinet hardware for the retail and O.E.M. marketplace and window hardware for window manufacturers. Bulldog packages and distributes hardware, which includes bolts, screws and mechanical fasteners. EZ Paintr manufactures and distributes manual paint applicator products. BernzOmatic manufactures and distributes propane/oxygen hand torches.

Amerock, Bulldog, EZ Paintr and BernzOmatic products are sold primarily under the trademarks Amerock{R}, Allison{R}, Bulldog{R}, EZ Paintr{R} and BernzOmatic{R}.

Amerock, Bulldog, EZ Paintr and BernzOmatic market their products directly and through distributors to mass merchants, home centers, hardware distributors, cabinet shops and window manufacturers, using a network of manufacturers' representatives, as well as regional zone and market-specific sales managers.

Principal facilities are located in Rockford, Illinois; St. Francis, Wisconsin; and Medina, New York.

Picture Frames

The Company's picture frame business is conducted by the Intercraft/Burnes division. Intercraft/Burnes primarily designs, manufactures or imports, packages and distributes wood, wood composite and metal ready-made picture frames and photo albums.

Intercraft/Burnes ready-made picture frames are sold primarily under the trademarks Intercraft{R}, Decorel{R}, Burnes of Boston{R}, Carr{R}, Rare Woods{R} and Terragrafics{R}, while photo albums are sold primarily under the Holson{R} trademark.

Intercraft/Burnes markets its products directly to mass merchants, warehouse clubs, grocery/drug stores and department/specialty stores, using a network of manufacturers' representatives, as well as regional zone and market-specific sales managers. Intercraft{R}, Decorel{R} and Holson{R} products are sold primarily to mass merchants, while the remaining brands are sold primarily to department/specialty stores.

Principal U.S facilities are located in Taylor, Texas; Statesville, North Carolina; Claremont, New Hampshire; and Covington, Tennessee. Principal foreign facilities are located in Mississauga, Ontario, Canada and Durango, Mexico.

Home Storage Products

The Company's home storage business is conducted by its Lee Rowan division. Lee Rowan primarily designs, manufactures or imports, packages and distributes wire storage and laminate products and ready-to-assemble closet, organization and work shop cabinets.

Lee Rowan products are sold primarily under the trademarks Lee Rowan{R} and System Works{R}.

Lee Rowan markets its products directly to mass merchants, warehouse clubs, home centers and hardware stores, using a network of manufacturers' representatives, as well as regional zone and market-specific sales managers.

Principal facilities are located in Jackson, Missouri; Vista, California; and Watford, Ontario, Canada.

OFFICE PRODUCTS

Markers and Writing Instruments

The Company's Markers and Writing Instruments business is conducted by the Sanford North America, Sanford International and Cosmolab divisions. Sanford North America primarily designs, manufactures or imports, packages and distributes permanent/waterbase markers, dry erase markers, overhead projector pens, highlighters, wood-cased pencils, ballpoint pens and inks, and other art supplies, and distributes other writing instruments including roller ball pens and mechanical pencils for the retail marketplace. Sanford International primarily designs and manufactures, packages and

distributes ball point pens, wood-cased pencils, roller ball pens and other art supplies for the retail marketplace. Cosmolab primarily designs and manufactures, packages and distributes private label cosmetic pencils for commercial customers.

Sanford products are sold primarily under the trademarks Sanford{R}, Eberhard Faber{R}, Berol{R}, Grumbacher{R}, Koh-I-Noor{R} and Rotring{R}, and the brands Sharpie{R}, Uni-Ball{R} (used under exclusive license from Mitsubishi Pencil Co. Ltd. and its subsidiaries), Expo{R}, Zeze{R}, Vis-a-Vis{R}, Expresso{R} and Mongol{R}.

Sanford North America markets its products directly and through distributors to mass merchants, warehouse clubs, grocery/drug stores, office superstores, office supply stores, contract stationers, and hardware distributors, using a network of manufacturers' representatives, as well as regional direct sales representatives and market-specific sales managers. Sanford International markets its products directly to retailers and distributors using a direct sales force.

Principal U.S. facilities are located in Bellwood, Illinois and Lewisburg and Shelbyville, Tennessee. Principal foreign facilities are located in Tlalnepantla, Mexico; Bogota, Colombia; Maracay, Venezuela; King's Lynn, United Kingdom; Oakville, Ontario, Canada; and Hamburg, Germany.

Office Storage and Organization Products

The Company's office storage and organization business is conducted through its Newell Office Products division. Newell Office Products primarily designs, manufactures or imports, packages and distributes desktop accessories, computer accessories, storage products, card files and chair mats.

Newell Office Products markets its products under the Rolodex{R}, Eldon{R} and Rogers{R} trademarks.

Newell Office Products markets its products directly and through distributors to mass merchants, warehouse clubs, grocery/drug stores, office superstores, office supply stores and contract stationers, using a network of manufacturers' representatives, as well as regional zone and market-specific sales managers.

Principal facilities are located in Moca, Puerto Rico; Maryville, Tennessee; and Madison, Wisconsin.

HOUSEWARES

Glassware

The Company's glassware business is conducted by the Anchor Hocking and Newell Europe divisions. These divisions primarily design, manufacture, package and distribute glass products. These products include glass ovenware, servingware, cookware and dinnerware products. Anchor Hocking also produces foodservice products, glass lamp parts, lighting components, meter covers and appliance covers for the foodservice and specialty markets. Newell Europe also produces glass components for appliance manufacturers, and its products are marketed primarily in Europe, the Middle East and Africa only.

Anchor Hocking products are sold primarily under the Anchor Hocking{R} trademark and the Oven Basics{R} brand name. Newell Europe's products are sold primarily under the brand names of Pyrex{R} and Visions{R} (both used under exclusive license from Corning Incorporated and its subsidiaries in Europe, the Middle East and Africa only), Pyroflam{TM}, and Vitri{TM}.

Anchor Hocking markets its products directly to mass merchants, warehouse clubs, grocery/drug stores, department/specialty stores, hardware distributors and select contract customers, using a network of manufacturers' representatives, as well as regional zone and market-specific sales managers. Anchor Hocking markets its products to manufacturers that supply the mass merchant and home party channels of trade. Newell Europe markets its products to mass merchants, industrial manufacturers and buying groups using a direct sales force and manufacturers' representatives in some markets.

Principal U.S. facilities are located in Lancaster, Ohio and Monaca, Pennsylvania. Principal foreign facilities are located in Sunderland, Great Britain; Muhltal, Germany; and Chateauroux, France.

Aluminum Cookware and Bakeware

The Company's aluminum cookware and bakeware business is conducted by the Mirro and Calphalon divisions. Mirro primarily designs, manufactures, packages and distributes aluminum cookware and bakeware for the U.S. and Latin American retail marketplace. Mirro also designs, manufactures, packages and distributes various specialized aluminum cookware and bakeware items for the food service industry. It also produces aluminum contract stampings and components for other manufacturers and makes aluminum and plastic kitchen tools and utensils. Mirro manufacturing operations are highly integrated, rolling sheet stock from aluminum ingot, and producing phenolic handles and knobs at its own plastics molding facility. Calphalon

primarily designs, manufactures or imports, packages and distributes aluminum cookware and bakeware for the department/specialty store marketplace.

Mirro and Calphalon products are sold primarily under the trademarks Mirro{R}, Wearever{R}, Calphalon {R}, Panex{TM}, Penedo{TM}, Rochedo {TM} and Clock {TM}, and the brand names of Airbake{R}, Cushionaire{R}, Concentric Air{R}, Channelon{R}, Wearever Air{TM} and Kitchen Essentials{TM}.

Mirro markets its products directly to mass merchants, warehouse clubs, grocery/drug stores, department/specialty stores, hardware distributors, cable TV networks and select contract customers, using a network of manufacturers' representatives, as well as regional zone and market-specific sales managers. Calphalon markets its products directly to department/specialty stores.

Principal U.S. facilities are located in Manitowoc and Chilton, Wisconsin; and Toledo, Ohio. The principal foreign facility is located in Sao Paulo, Brazil.

Hair Accessories and Beauty Organizers

The Company's hair accessory and beauty organizer business is conducted through its Goody division. Goody primarily designs, manufactures or imports, packages and distributes hair accessories and beauty organizers.

Goody products are sold primarily under the trademarks Goody{R}, Ace{R} and Wilhold{R}.

Goody markets its products directly to mass merchants, warehouse clubs, grocery/drug stores and department/specialty stores, using a network of manufacturers' representatives, as well as regional zone and market-specific sales managers.

Principal facilities are located in Peach Tree City and Manchester, Georgia.

Net Sales By Industry Segment

The Company reviewed the criteria for determining segments of an enterprise in accordance with SFAS No. 131 and concluded it has three reportable operating segments: Hardware & Home Furnishings, Office Products, and Housewares. This segmentation is appropriate because the Company organizes its product categories into these groups when making operating decisions and assessing performance. The Company Divisions included in each group also sell primarily to the same retail channel: Hardware & Home Furnishings (home centers and

hardware stores), Office Products (office superstores and contract stationers), and Housewares (discount stores and warehouse clubs).

The principal product categories included in each of the Company's business segments are as follows:

Segment	Product Category
Hardware & Home Furnishings	Window Treatments, Hardware and Tools, Picture Frames, Home Storage
Office Products	Markers and Writing Instruments, Office Storage and Organization, School Supplies and Stationery (sold in 1998)
Housewares	Aluminum Cookware and Bakeware, Glassware, Hair Accessories, Plasticware (sold in 1998)

The following table sets forth the amounts and percentages of the Company's net sales for the three years ended December 31 (including sales of acquired businesses from the time of acquisition and sales of divested businesses through date of sale), for the Company's three operating segments and the product categories included therein. Sales to Wal-Mart Stores, Inc. and subsidiaries amounted to approximately 14% of consolidated net sales in 1998 and 15% in both 1997 and 1996. Sales to no other customer exceeded 10% of consolidated net sales.

	1998	% of total	1997*	% of total	1996*	% of total
	(In millions, except percentages)					
Hardware and Home Furnishings:						
Window Treatments	$ 808.7	22%	$ 562.6	17%	$ 385.6	13%
Hardware and Tools	398.5	11	392.6	12	383.1	13
Picture Frames	386.6	10	359.4	10	339.8	11
Home Storage Products	164.3	4	170.2	5	190.8	7
Total Hardware and Home Furnishings	$ 1,758.1	47%	1,484.8	49	1,299.3	44
Office Products:						
Markers and Writing Instruments	$ 714.7	19%	$ 601.4	18%	$ 570.2	19%
Office Storage and Organization	254.8	7	209.9	6	85.6	3
School Supplies and Stationery	70.8	2	87.9	3	86.0	3
Total Office Products	1,043.3	28	899.2	27	741.8	25
Housewares:						
Aluminum Cookware and Bakeware	$ 400.6	11%	$ 386.2	12%	$ 373.4	13%
Glassware and Plasticware	368.2	10	394.4	12	394.2	13
Hair Accessories	152.8	4	171.6	5	164.1	5
Total Housewares	921.6	25	952.2	29	931.7	31
Newell Consolidated	$ 3,720.0	100%	$3,336.2	100%	$2,972.8	100%

*Restated for the merger with Calphalon Corporation, which was accounted for as a pooling of interests.

Certain 1997 and 1996 amounts have been reclassified to conform with the 1998 presentation.

Export Sales

The Company's export sales business, defined as sales of products made in the U.S. and sold abroad, is conducted through its Newell International division. For purposes of the table immediately above, sales attributable to the Newell International division are allocated to the operating segment that manufactured the products.

GROWTH STRATEGY

The Company's growth strategy emphasizes acquisitions and internal growth. The Company has grown both domestically and internationally by acquiring businesses with brand name product lines and improving the profitability of such businesses through an integration process referred to as "Newellization." Since 1990, the Company has completed more than 20 major acquisitions (excluding Rubbermaid) representing approximately $3 billion in additional sales. The Company supplements acquisition growth with internal growth, principally by introducing new products, entering new domestic and international markets, adding new customers, cross-selling existing product lines to current customers and supporting its U.S.-based customers' international expansion.

ACQUISITIONS AND INTEGRATION

Acquisition Strategy

The Company primarily grows by acquiring businesses and product lines with a strategic fit with the Company's existing businesses. It also seeks to acquire product lines with a number one or two position in the markets in which they compete, a low technology level, a long product life cycle and the potential to reach the Company's standard of profitability. In addition to adding entirely new product lines, the Company uses acquisitions to round out existing businesses and fill gaps in its product offering, add new customers and distribution channels, expand shelf space for the Company's products with existing customers, and improve operational efficiency through shared resources.

Newellization

"Newellization" is the Company's well-established profit improvement and productivity enhancement process that is applied to integrate newly acquired product lines. The Newellization process includes establishing a more focused business strategy, improving customer service, reducing corporate overhead through centralization of administrative functions and tightening financial controls. In integrating acquired businesses, the Company typically centralizes accounting systems, capital expenditure approval, cash management, order processing, billing, credit, accounts receivable and data processing operations. To enhance efficiency, Newellization also focuses on improving manufacturing processes, eliminating non-productive lines, reducing inventories, increasing accounts receivable turnover and trimming excess costs.

Newellization also builds partnerships with customers and improves sales mix profitability through program merchandising

techniques. The Newellization process usually takes approximately two to three years to complete.

History of Acquiring and Integrating Businesses

The Company's growth from a small manufacturer of drapery hardware with approximately $15 million in annual sales in 1967 has largely been the result of the acquisition and integration of nearly 100 businesses and product lines to build a strong multi-product offering. Set forth below is a list of the Company's major acquisitions since 1991 along with the approximate amount of aggregate annual sales for the businesses acquired in the full year prior to acquisition.

Major Acquisitions Since 1991

Year	Acquired Trade or Brand Name (1)	Product Category	Annual Sales When Acquired (In millions)
1998	Swish, Gardinia	Window Treatments	$700
	Panex, Calphalon	Aluminum Cookware	
	Rotring	Writing Instruments	
1997	Rolodex, Eldon	Office Storage and Organization	$550
	Kirsch	Window Treatments	
1996	Holson and Burnes of Boston	Picture Frames	$130
1995	Decorel	Picture Frames	$300
	Berol	Markers and Writing Instruments	
1994	Del Mar and LouverDrape	Window Treatments	$470
	Eberhard Faber (including Uni-Ball(2))	Markers and Writing Instruments	
	Pyrex (3)	Glassware and Plasticware	
1993	Goody	Hair Accessories	$500
	Levolor	Window Treatments	
	Lee Rowan	Home Storage Products	
1992	Sanford (including Sharpie and Expo)	Markers and Writing Instruments	$120
	Intercraft	Picture Frames	
1991	Rogers and Keene	Office Storage and Organization	$ 50

(1) All listed trade and brand names are trademarks, which are registered in the United States Patent and Trademark Office, except for Gardinia and Panex.

(2) Used under exclusive license from Mitsubishi Pencil Co. Ltd. and its subsidiaries.

(3) Used under exclusive license from Corning Incorporated and its subsidiaries in Europe, the Middle East and Africa only.

Internal Growth

The second element of the Company's growth strategy is internal growth. Once an acquired business has been Newellized, the Company's strategy is to build profitable sales and contribute to the Company's internal growth. Avenues for internal growth include introducing new products, entering new domestic and international markets, adding new customers, cross-selling existing product lines to current customers and supporting its U.S.-based customers' international expansion. The Company's goal is to achieve an internal growth rate of 3-5% per year, and over the last five years, the Company has achieved an average of 5% annual internal growth. Internal growth is defined by the Company as growth from its "core businesses," which include continuing businesses owned more than two years and minor acquisitions. The Company intends to continue to pursue internal growth opportunities to complement its acquisition growth.

International

The Company is pursuing international opportunities to further its acquisition and internal growth objectives. The rapid growth of consumer goods economies and retail structures in several regions outside the U.S., particularly Europe, Mexico and South America, makes them attractive to the Company by providing opportunities to acquire businesses, develop partnerships with new foreign customers and extend relationships with the Company's domestic customers whose businesses are growing internationally. The Company's recent acquisitions, combined with existing sales to foreign customers, increased its sales outside the U.S. to approximately 22% of total sales in 1998 from approximately 8% in 1992.

Within the last few years, the Company acquired a number of businesses with significant foreign sales. The Company's first significant foreign acquisition was the 1994 acquisition of Corning Incorporated's European consumer product business, with annual sales of approximately $130 million. Now known as Newell Europe, the acquisition included Corning's manufacturing facilities in England, France and Germany, as well as the trademark rights and product lines of Pyrex{R} glass cookware used under exclusive license from Corning

Incorporated and its subsidiaries in Europe, Africa and the Middle East only. The 1995 acquisition of Berol, an international manufacturer and marketer of writing instruments provided annual international sales of more than $80 million and several foreign manufacturing facilities. The 1997 acquisition of Kirsch added annual international sales of drapery hardware and window coverings of approximately $150 million and several European manufacturing facilities. The 1998 foreign acquisitions included Swish and Gardinia, drapery hardware manufacturers in Europe, Panex, a maker of aluminum cookware in Latin America, and Rotring, a manufacturer of writing and drawing instruments in Europe. These 1998 acquisitions represent approximately $450 million in annualized sales outside the United States.

Additional information regarding acquisitions of businesses is included in Item 6 and note 2 to the consolidated financial statements.

MARKETING AND DISTRIBUTION

Customer Service

The Company believes that one of the primary ways it distinguishes itself from its competitors is through customer service. The Company's ability to provide superior customer service is a result of its information technology, marketing and merchandising programs designed to enhance the sales and profitability of its customers and consistent on-time delivery of its products.

Information Technology

The Company is an industry leader in the application of Electronic Data Interchange ("EDI") technology, an electronic link between the Company and many of its retail customers, and invests in advanced computer systems. The Company uses EDI to receive and transmit purchase orders, invoices and payments. By replacing paper-based processing with computer-to-computer business transactions, EDI has cut days off the order/shipping cycle.

Building upon its EDI expertise, the Company has established "Quick Response" programs with several major customers. These programs allow the Company to implement customized features such as vendor-managed inventories in which the Company manages certain or all aspects of inventory of several product categories at customer locations. The Company's experience is that its customers benefit from such programs by increased inventory turnover and reduced customer waiting periods for out-of-stock product.

On-Time Delivery

A critical element of the Company's customer service is consistent on-time delivery of products to its customers. Retailers are pursuing a number of strategies to deliver the highest-quality, lowest-cost products to their customers. A growing trend among retailers is to purchase on a "just-in-time" basis in order to reduce inventory costs and increase returns on investment. As retailers shorten their lead times for orders, manufacturers need to more closely anticipate consumer buying patterns. The Company supports its retail customers' "just-in-time" inventory strategies through investments in improved forecasting systems, more responsive manufacturing and distribution capabilities and electronic communications. The Company manufactures the vast majority of its products and has extensive experience in high-volume, cost-effective manufacturing. The high-volume nature of its manufacturing processes and the relatively consistent demand for its products enables the Company to ship most products directly from its factories without the need for independent warehousing and distribution centers. For 1998, approximately 98% of the items ordered by customers were shipped on time, typically within two to three days of the customer's order.

Marketing and Merchandising

The Company's objective is to develop long-term, mutually beneficial partnerships with its customers and become their supplier of choice. To achieve this goal, the Company has a value-added marketing program that offers a family of leading brand name staple products, tailored sales programs, innovative merchandising support, in-store services and responsive top management.

The Company's merchandising skills help customers stimulate store traffic and sales through timely advertising and innovative promotions. The Company also assists customers in differentiating their offerings by customizing products and packaging. Through self-selling packaging and displays that emphasize good-better-best value relationships, retail customers are encouraged to trade up to higher-value, best quality products.

Customer service also involves customer contact with top-level decision makers at the Company's divisions. As part of its decentralized structure, the Company's division presidents are the chief marketing officers of their product lines and communicate directly with customers. This structure permits early recognition of market trends and timely response to customer problems.

Multi-Product Offering

The Company's increasingly broad product coverage in multiple product lines permits it to more effectively meet the needs of its

customers. With families of leading, brand name products and profitable new products, the Company also can help volume purchasers sell a more profitable product mix. As a potential single source for an entire product line, the Company can use program merchandising to improve product presentation, optimize display space for both sales and income and encourage impulse buying by retail customers.

Corporate Structure

By decentralizing its manufacturing and marketing efforts while centralizing key administrative functions, the Company seeks to foster a responsive entrepreneurial culture. The Company's divisions concentrate on designing, manufacturing, merchandising, selling their products and servicing their customers, which facilitates product development and responsiveness to customers. Administrative functions that are centralized at the corporate level include cash management, accounting systems, capital expenditure approvals, order processing, billing, credit, accounts receivable, data processing operations and legal functions. Centralization concentrates technical expertise in one location, making it easier to observe overall business trends and manage the Company's businesses.

BACKLOG

The dollar value of unshipped factory orders is not material.

SEASONAL VARIATIONS

The Company's product groups are only moderately affected by seasonal trends. Hardware and Home Furnishings products have higher sales in the second and third quarters due to an increased level of do-it-yourself projects completed in the summer months; Office Products have higher sales in the second and third quarters due to the back-to-school season; and Housewares products typically have higher sales in the second half of the year due to retail stocking related to the holiday season. Because these seasonal trends are moderate, the Company's consolidated quarterly sales do not fluctuate significantly, unless a significant acquisition is made.

FOREIGN OPERATIONS

Information regarding the Company's 1998, 1997 and 1996 foreign operations is included in note 13 to the consolidated financial statements and is incorporated by reference herein.

RAW MATERIALS

The Company has multiple foreign and domestic sources of supply for substantially all of its material requirements. The raw materials and various purchased components required for its products have generally been available in sufficient quantities.

PATENTS AND TRADEMARKS

The Company has many patents, trademarks, brand names and trade names, none of which is considered material to the consolidated operations.

COMPETITION

The rapid growth of high-volume retailers, such as discount stores and warehouse clubs, home centers and hardware stores, and office superstores and contract stationers, together with changes in consumer shopping patterns, have contributed to a significant consolidation of the U.S. retail industry and the formation of dominant multi-category retailers. Other trends among retailers are to require manufacturers to maintain or reduce product prices or deliver products with shorter lead times, or for the retailer to import generic products directly from foreign sources. The combination of these market influences creates a highly competitive environment in which the Company's principal customers continuously evaluate which product suppliers to use, resulting in pricing pressures and the need for ongoing improvements in customer service.

For more than 30 years, the Company has positioned itself to respond to the challenges of this retail environment by developing strong relationships with large, high-volume purchasers. The Company markets its strong multi-product offering through virtually every category of high-volume retailer, including discount, drug, grocery and variety chains, warehouse clubs, department, hardware and specialty stores, home centers, office superstores, contract stationers and military exchanges. The Company's largest customer, Wal-Mart (including Sam's Club), accounted for approximately 14% of net sales in 1998. Other top ten customers included Kmart, The Home Depot, The Office Depot, Target, JCPenney, United Stationers, Hechinger, Office Max and Lowe's.

The Company's other principal methods of meeting its competitive challenges are high brand name recognition, superior customer service (including industry leading information technology, innovative "good-better-best" marketing and merchandising programs), consistent on-time delivery, decentralized manufacturing and marketing, centralized administration, and experienced management.

ENVIRONMENT

Information regarding the Company's environmental matters is included in the Management's Discussion and Analysis section of this report and in note 14 to the consolidated financial statements and is incorporated by reference herein.

EMPLOYEES

The Company has approximately 32,000 employees worldwide, of whom approximately 9,300 are covered by collective bargaining agreements or, in certain countries, other collective arrangements decreed by statute.

Item 2. Properties

The following table shows the location and general character of the principal operating facilities owned or leased by the Company. The executive offices are located in Beloit, Wisconsin, which is an owned facility occupying approximately 9,000 square feet. Other Corporate offices are located in Illinois in owned facilities at Freeport (occupying 73,000 square feet) and owned and leased space in Rockford (occupying 7,000 square feet). Most of the idle facilities, which are excluded from the following list, are subleased while being held pending sale or lease expiration. The Company considers its properties to be in generally good condition and well-maintained, and are generally suitable and adequate to carry on the Company's business. The properties are used for manufacturing ("M"), distribution ("D") and administrative offices ("A").

Location	City	Owned or Exp. Date if Leased	General Character
UNITED STATES			
Arkansas	Bentonville	05/99	A
	Bentonville	M-T-M	A
Arizona	Phoenix	03/04	D
	Bizbes	Owned	M

Location	City	Owned or Exp. Date if Leased	General Character
California	Irvine	Owned	M
	Irvine	Owned	M & A
	Santa Fe Springs	04/00	D
	Vista	06/03	M, D & A
	Westminister	09/02	M
	Westminister	04/99	M
Georgia	Athens	Owned	M
	Augusta	08/01	A
	Columbus	Owned	D
	Columbus	12/99	D
	Manchester	Owned	M
	Peachtree City	Owned	A
	St. Simons	12/99	A
Illinois	Bannockburn	12/03	A
	Bellwood	Owned	M & A
	Bellwood	11/99	M, D & A
	Freeport	10/01	M & D
	Freeport	Owned	A
	Freeport	Owned	M, D & A
	Freeport	09/00	A
	Itasca	M-T-M	A
	Itasca	08/99	A
	Lake Bluff	12/00	A
	Mundelein	09/99	M & A
	Rockford	Owned	M, D & A
	Rockford	Owned	A
	Rockford	04/04	D
	Rockford	05/06	A
	Rockford	10/03	A
	South Holland	06/02	M
	Waukegan	07/99	D
Indiana	Lowell	Owned	M, D & A
	Middlebury	Owned	M
Maine	Libson Falls	03/03	M & D
Massachusetts	Montague	Owned	M
Michigan	Sturgis	Owned	M & D
	Sturgis	Owned	M & D

Location	City	Owned or Exp. Date if Leased	General Character
Missouri	Fenton	12/99	D
	Fenton	11/99	D
	Jackson	Owned	M, D & A
	Jackson	12/01	D
Nebraska	Omaha	09/00	D
New Hampshire	Claremont	Owned	M & D
	Claremont	10/00	D
New Jersey	Rockaway	03/02	M
	Bloomsbury	Owned	M, D & A
	Cranbury	12/05	D
	Greenwich Twp	Owned	M & D
	Secaucus	12/99	D
New York	Farmingdale	12/99	M & A
	Medina	Owned	M, D & A
	New York	01/01	D
	Ogdensburg	Owned	M & A
	Ogdensburg	Owned	D
North Carolina	High Point	Owned	M
	Statesville	05/99	M & A
Ohio	Bremen	Owned	M
	Bremen	Owned	D
	Lancaster	M-T-M	A
	Lancaster	Owned	M, D & A
	Lancaster	Owned	D
	Perrysburg	Owned	M, D & A
	Toledo	M-T-M	D
	Toledo	05/02	D
	Westerville	Owned	M & A
Pennsylvania	Ambridge	M-T-M	D
	Monaca	Owned	M & A
	Monaca	M-T-M	D
	Shamokin	Owned	M & D
	Shamokin	Owned	M
	Sunbury	Owned	D
	Wampum	M-T-M	D
Puerto Rico	Carolina	06/03	D & A
	Moca	04/02	M & A
Rhode Island	North Smithfield	05/05	A

Location	City	Owned or Exp. Date if Leased	General Character
Tennessee	Covington	M-T-M	D
	Johnson City	12/99	D
	Johnson City	Owned	M
	Johnson City	05/00	D
	Lewisburg	Owned	M, D & A
	Lewisburg	M-T-M	D
	Maryville	Owned	M, D & A
	Memphis	12/01	D & A
	Memphis	02/06	M, D & A
	Shelbyville	Owned	M, D & A
Texas	Carrollton	01/00	D
	Taylor	M-T-M	M & A
	Waco	Owned	M
	Waco	07/99	D
	Waco	01/06	M
Utah	Ogden	Owned	M
	Salt Lake City	04/99	M
Vermont	Brangboro	12/07	M & A
West Virginia	Clarksburg	Owned	D
Wisconsin	Beloit	Owned	A
	Chilton	Owned	M
	Madison	04/00	D
	Madison	M-T-M	D
	Madison	Owned	M, D & A
	Manitowoc	04/02	D
	Manitowoc	Owned	M, D & A
	St. Francis	Owned	M, D & A
	Cudahy	06/99	D
CANADA			
Alberta	Calgary	07/01	M

Location	City	Owned or Exp. Date if Leased	General Character
Ontario	Concord	09/99	A
	Meaford	Owned	D
	Mississauga	Owned	M & D
	Oakville	10/99	D & A
	Pickering	03/07	D
	Pickering	Corp.	D
	Pickering	Corp.	D
	Prescott	09/00	A
	Prescott	Owned	M & A
	Prescott	M-T-M	D
	Richmond Hills	10/00	A
	Toronto	08/02	M & A
	Watford	01/04	M, D & A
Quebec	Repentigny	M-T-M	M
EUROPE			
Austria	St. Polten	M-T-M	D
	Wien	M-T-M	D
	Worgl Tirol	Owned	M, D & A
Belarus	Minskij Rajon	03/00	D
	Minskij Rajon	12/99	D & A
Belgium	Aarschot	Owned	D & A
	Zellick	07/07	D & A
	Bornem	03/99	D
Czechia	Zalec	Owned	D & A
Denmark	Aars	Owned	M
	Hedehusene	M-T-M	M & A
	Risskov	07/01	A
Finland	Helsinki	M-T-M	A
France	Ablis	02/06	D
	Avon	11/99	A
	Bordeaux	07/99	A
	Briand	Owned	M & A
	Chateauroux	Owned	M, D & A
	Chateauroux	12/99	D
	Feuquieres en Virneu	Owned	A
	Les Ulls Cedex	07/04	D & A
	Melun Cedex	06/99	M, D & A
	Mitra Mory	03/07	D & A

Location	City	Owned or Exp. Date if Leased	General Character
Germany	Bunde	11/01	D & A
	Bunde	Owned	M, D & A
	Eckental	Owned	D & A
	Ernskirchen	Owned	M
	Garching/Munchen	12/99	D & A
	Gobritz	M-T-M	D
	Gobritz	12/05	A
	Haan	Owned	D & A
	Hamburg	11/03	A
	Hamburg	Owned	D
	Hamburg	Owned	M, D & A
	Hamburg	M-T-M	D
	Henstadt-Ulzburg	Owned	D & A
	Isny	10/00	D
	Isny	Owned	M & A
	Isny	Owned	M, D & A
	Isny	M-T-M	D
	Kirchen	Owned	M
	Malerhofen	Owned	M, D & A
	Muhltal	Owned	M, D & A
	Saara	12/99	M
	Schmolin	Owned	M, D & A
	Schwabisch-Gmund	M-T-M	D & A
	Tudingen	Owned	D & A
	Wiebelsheim	Owned	M, D & A
	Zachow/Berlin	Owned	M, D & A
Greece	Athens	12/02	D & A
Hungary	Budapest	M-T-M	D & A
Italy	Albignasego	M-T-M	D & A
	Figino Serenza	Owned	M
	Milan	12/01	A
	Milano	03/04	D & A
	Milan	04/99	D
	Supino	Owned	M
Netherlands	Almere-haven	Owned	D & A
Norway	Moss	01/03	M, D & A
	Oslo	03/04	D & A

Location	City	Owned or Exp. Date if Leased	General Character
Poland	Gdansk	07/00	D & A
	Otwock	M-T-M	D & A
	Swietochiowice	08/00	D & A
	Tyniec Maly	Owned	M, D & A
Portugal	Amadora	Owned	D & A
	Lisbon	M-T-M	D
	Porto	Owned	D
Romania	Bukarest	10/01	D
	Bukarest	12/99	A
Slovakia	Priavidza	04/99	D & A
Spain	Barcelona	Owned	D
	Barcelona	12/03	A
	Madrid	12/99	A
	Madrid	Owned	D
	Malaga	Owned	D
	Ovledo	Owned	D
	Tenerife	M-T-M	D
	Valladolid	Owned	D
	Victoria	Owned	M
Sweden	Andestorp	Owned	M, D & A
	Malmo	Owned	M & A
	Malmo	M-T-M	M & D
	Nykoping	06/99	M, D & A
Switzerland	Riedstr	Owned	D & A
Turkey	Istanbul	03/00	D & A

Location	City	Owned or Exp. Date if Leased	General Character
United Kingdom	Bercl House	Owned	M & A
	Dunstable	02/05	D
	King's Lynn	Owned	M, D & A
	Sheffield	12/12	M & D
	Sheffield	12/15	D
	Sheffield	M-T-M	M & D
	Sheffield	09/10	D
	Shefford	07/01	D
	Shefford	05/06	D
	Slough	06/07	A
	Sunderland	Owned	M
	Sunderland	11/99	D
	Sunderland	12/00	D
	Tamworth	Owned	M & A
	Tamworth	03/00	M
	Tipton	12/18	D
	Venus House	Owned	M & D
	Worcastershire	Owned	A
Ukraine	Kiev	03/00	A
LATIN AMERICA			
Argentina	Buenos Aires	10/00	D & A
Brazil	Sao Paulo	01/00	D
	Sao Paulo	12/99	M & A
Colombia	Bogota	Owned	M, D & A
Mexico	Cancun	Owned	A
	Durango	M-T-M	M
	Estado de Mexico	06/99	D
	Jocotitian	06/03	M
	Tijuana	M-T-M	M
	Tlalnepantla	Owned	M, D & A
Venezuela	Caracas	Owned	D
	Maracay	Owned	M, D & A
	Maracay	M-T-M	M
	San Vicente	Owned	M & D
ASIA			
Australia	Noble Park	06/00	D & A
	Victoria	07/99	A
China	Hong Kong	09/99	D & A

Location	City	Owned or Exp. Date if Leased	General Character
Japan	Fukuoka	12/99	A
	Osaka	12/99	A
	Saitama	M-T-M	D
	Tokyo	05/99	A

Item 3. Legal Proceedings

Information regarding legal proceedings is included in note 14 to the consolidated financial statements and is incorporated by reference herein.

Item 4. Submission of Matters to a Vote of Security Holders

There were no matters submitted to a vote of the Company's shareholders during the fourth quarter of fiscal year 1998.

Supplementary Item - Executive Officers of the Registrant as of 12/31/98

Name	Age	Present Position With the Company
William P. Sovey	65	Chairman of the Board
John J. McDonough	62	Vice Chairman and Chief Executive Officer
Thomas A. Ferguson, Jr.	51	President and Chief Operating Officer
Donald L. Krause	59	Senior Vice President-Corporate Controller
William T. Alldredge	58	Vice President-Finance
Richard C. Dell	52	Group President
William J. Denton	54	Group President
Robert S. Parker	53	Group President
Gilbert A. Niesen	54	Vice President - Personnel Relations

William P. Sovey has been Chairman of the Board since January 1, 1998. He was Vice Chairman and Chief Executive Officer of the Company from May 1992 through December 1997. From January 1986 through July 1992, he was President and Chief Operating Officer.

John J. McDonough has been Vice Chairman and Chief Executive Officer of the Company since January 1, 1998 and a Director since 1992. He was Senior Vice President-Finance of the Company from November 1981 through April 1983. Mr. McDonough has also been President and Chief Executive Officer of McDonough Capital Company LLC (an investment management company) since April 1995. Prior thereto, he was Vice Chairman and a Director of Dentsply International Inc. (a manufacturer and distributor of dental and medical x-ray equipment and other dental products) from 1983 through October 1995, and was Chief Executive Officer from April 1983 through February 1995.

Thomas A. Ferguson, Jr. has been President and Chief Operating Officer since May 1992. From January 1989 to May 1992, he was President-Operating Companies.

Donald L. Krause was appointed Senior Vice President-Corporate Controller in March 1990. He was President-Industrial Companies from February 1988 to March 1990.

William T. Alldredge has been Vice President-Finance of the Company since August 1983.

Richard C. Dell has been Group President since June 1992. He was President of Amerock from November 1989 to June 1992. He was President of EZ Paintr from September 1987 to November 1989.

William J. Denton has been Group President since March 1990. From April 1989 to March 1990, he was Vice President-Corporate Controller. He was President of Anchor Hocking Glass from August 1987 to April 1989.

Robert S. Parker has been Group President since August 1998. He was President of Sanford Corporation from February 1992 to August 1998.

Gilbert A. Niesen has been Vice President-Personnel Relations since May 1998. He was Vice President of Human Resources of the Mirro Division from March 1994 to May 1998, and Vice President of Human Resources of Amerock Corporation from December 1987 to March 1994.

PART II

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters

The Company's Common Stock is listed on the New York and Chicago Stock Exchanges (symbol: NWL). As of December 31, 1998, there were 16,315 stockholders of record. The following table sets forth the high and low sales prices of the Common Stock on the New York Stock Exchange Composite Tape (as published in the Wall Street Journal) for the calendar periods indicated.

	1998		1997		1996	
	High	Low	High	Low	High	Low
Quarters:						
First	$50 3/16	$40 7/8	$38 3/8	$30 3/8	$28 7/8	$25 5/8
Second	49 13/16	45 7/16	40 1/16	32 7/8	32	25 1/2
Third	54 7/16	43 3/16	43 1/4	37 1/2	32	28 1/2
Fourth	49 1/16	37 13/16	43 3/16	35 1/8	33 1/4	28 1/4

The Company has paid regular cash dividends on its Common Stock since 1947. On February 8, 1999, the quarterly cash dividend was increased to $0.20 per share from the $0.18 per share that had been paid since February 10, 1998. Prior to this date, the quarterly cash dividend paid was $0.16 per share since February 11, 1997, which was an increase from the $0.14 per share paid since February 6, 1996.

Information about the 5.25% convertible quarterly income preferred securities issued by a wholly owned subsidiary trust of the Company, which are reflected as outstanding in the Company's consolidated financial statements as Company-Obligated Mandatorily Redeemable Convertible Preferred Securities of a Subsidiary Trust, is included in note 5 to the consolidated financial statements and is incorporated by reference herein.

Item 6. Selected Financial Data

The following is a summary of certain consolidated financial information relating to the Company at December 31. The summary has been derived in part from, and should be read in conjunction with, the consolidated financial statements of the Company included elsewhere in this report and the schedules thereto.

	1998	1997*	1996*	1995*	1994*
	(In thousands, except per share data)				
INCOME STATEMENT DATA					
Net sales	$3,720,040	$3,336,233	$2,972,839	$2,580,313	$2,141,600
Cost of products sold	2,548,064	2,259,551	2,020,116	1,759,871	1,437,518
Gross income	1,171,976	1,076,682	952,723	820,442	704,082
Selling, general and administrative expenses	583,016	497,739	461,802	392,921	335,532
Trade names and goodwill amortization and other	54,860	31,882	23,554	19,280	15,400
Operating income	534,100	547,061	467,367	408,241	353,150
Nonoperating expenses (income):					
Interest expense	60,397	76,413	58,541	51,443	31,435
Other, net	(211,143)	(14,686)	(19,474)	(20,353)	(16,717)
Net	(150,746)	61,727	39,067	31,090	14,718
Income before income taxes	684,846	485,334	428,300	377,151	338,432
Income taxes	288,690	192,187	169,258	150,676	137,141
Net income	$ 396,156	$ 293,147	$ 259,042	$ 266,475	$ 201,291
Earnings Per Share					
Basic	$ 2.44	$ 1.81	$ 1.60	$ 1.40	$ 1.25
Diluted	$ 2.38	$ 1.80	$ 1.60	$ 1.40	$ 1.25
Dividends per share	$ 0.72	$ 0.64	$ 0.56	$ 0.46	$ 0.39
Weighted Average Shares Outstanding					
Basic	162,544	162,173	161,858	161,306	160,868
Diluted	173,041	163,308	162,281	161,624	161,094

	1998	1997*	1996*	1995*	1994*
			(In thousands)		
BALANCE SHEET DATA					
Inventories	$ 714,531	$ 653,200	$ 524,444	$ 518,039	$ 426,847
Working capital	769,619	719,215	482,580	462,683	141,592
Total assets	4,327,912	4,011,734	3,058,430	2,965,190	2,517,780
Short-term debt	76,250	83,914	108,814	165,050	310,790
Long-term debt, net of current maturities	866,211	786,793	685,608	776,565	423,975
Stockholders' equity	1,912,007	1,725,221	1,500,022	1,301,585	1,126,941

* Restated for the merger with Calphalon Corporation, which was accounted for as a pooling of interests.

1994

On August 29, 1994, the Company acquired the assets of the decorative window coverings business of Home Fashions, Inc.("HFI"), including vertical blinds and pleated shades sold under the Del Mar{R} and LouverDrape{R} brand names. HFI was combined with Levolor and together they are operated as a single entity called Levolor Home Fashions. On October 18, 1994, the Company acquired Faber-Castell Corporation ("Faber"), a maker and marketer of markers and writing instruments, including wood-cased pencils and rolling ball pens, sold under the Eberhard Faber{R} brand name. Faber was combined with Sanford and together they are operated as a single entity called Sanford North America. On November 30, 1994, the Company acquired the European consumer products business of Corning Incorporated (now known as "Newell Europe"). This acquisition included Corning's consumer products manufacturing facilities in England, France and Germany, the product lines and right to use the foreign registered trademarks Pyrex{R}, Pyroflam{TM} and Visions{TM} brands in Europe, the Middle East and Africa, and Corning's consumer distribution network throughout these areas under exclusive license from Corning Incorporated. Additionally, the Company became the distributor in Europe, the Middle East and Africa for Corning's U.S. manufactured cookware and dinnerware brands. For these and other minor 1994 acquisitions, the Company paid $360.8 million in cash and assumed $12.8 million of debt.

These transactions were accounted for as purchases; therefore, results of operations are included in the accompanying consolidated financial statements since their respective dates of acquisition. The acquisition costs were allocated to the fair market value of the assets acquired and liabilities assumed and resulted in trade names and goodwill of approximately $202.2 million.

1995

On October 2, 1995, the Company acquired Decorel Incorporated ("Decorel"), a manufacturer and marketer of ready-made picture frames.

Decorel was combined with Intercraft. On November 2, 1995, the Company acquired Berol Corporation ("Berol"), a designer, manufacturer and marketer and markers and writing instruments. Berol was combined with Sanford. The U.S. component of Berol is operated as part of the Sanford North America division. The international piece is operated as part of Sanford International. For these and other minor 1995 acquisitions, the Company paid $210.6 million in cash, issued 379,507 shares of the Company's Common Stock (valued at approximately $9.5 million) and assumed $144.2 million of debt.

The transactions were accounted for as purchases; therefore results of operations are included in the accompanying consolidated financial statements since their respective dates of acquisition. The acquisition costs were allocated to the fair market value of the assets acquired and liabilities assumed and resulted in trade names and goodwill of approximately $181.1 million.

Subsequent Years

Information regarding businesses acquired in the last three years is included in note 2 to the consolidated financial statements.

QUARTERLY SUMMARIES

Summarized quarterly data for the last three years is as follows (unaudited):

Calendar Year	1st	2nd	3rd	4th	Year
	(In millions, except per share data)				
1998					
Net sales	$ 770.5	$ 922.7	$ 957.1	$1,069.7	$3,720.0
Gross income	231.0	307.4	325.2	308.4	1,172.0
Net income	148.9	88.7	99.2	59.4	396.2
Earnings per share:					
Basic	0.92	0.55	0.61	0.36	2.44
Diluted	0.88	0.54	0.60	0.36	2.38
1997*					
Net sales	$ 650.0	$ 819.3	$ 925.7	$ 941.2	$3,336.2
Gross income	195.1	270.1	298.6	312.9	1,076.7
Net income	37.7	77.0	87.2	91.2	293.1
Earnings per share:					
Basic	0.23	0.48	0.54	0.56	1.81
Diluted	0.23	0.47	0.54	0.56	1.80
1996*					
Net sales	$ 638.8	$ 753.2	$ 791.7	$ 789.1	$2,972.8
Gross income	189.6	243.8	257.8	261.5	952.7
Net income	33.0	67.3	76.3	82.4	259.0
Earnings per share:					
Basic	0.20	0.42	0.47	0.51	1.60
Diluted	0.20	0.42	0.47	0.51	1.60

* Restated for the merger with Calphalon Corporation, which was accounted for as a pooling of interests.

Item 7. Management's Discussion and Analysis of Results of Operations and Financial Condition

The following discussion and analysis provides information which management believes is relevant to an assessment and understanding of the Company's consolidated results of operations and financial condition. The discussion should be read in conjunction with the consolidated financial statements and notes thereto.

Introduction

The Company's primary financial goals are to increase sales and earnings per share an average of 15% per year, to achieve an annual return on beginning equity ("ROE") of 20% or above, to increase dividends per share in line with earnings growth, and to maintain a prudent ratio of total debt to total capitalization, net of cash ("leverage"). The Company has achieved most of these goals over the last ten years, increasing sales and earnings per share at compound annual rates of 13% and 16%, respectively, averaging 21% ROE, increasing dividends per share at a compound annual rate of 18% and averaging 26% leverage. The Company believes that the principal factors affecting its ability to achieve these objectives in the future are likely to be the realized rates of both acquisition and internal growth and the Company's continued ability to integrate acquired businesses through a process called "Newellization."

Since 1990, the Company has more than tripled its sales by acquiring businesses with aggregate annual sales of approximately $3 billion (excluding Rubbermaid). The rate at which the Company can integrate Rubbermaid and other recent acquisitions to meet the Company's standards of profitability will affect near-term financial results. Over the longer term, the Company's ability both to make and to integrate strategic acquisitions will impact the Company's financial results.

The Company pursues internal growth by introducing new products, entering new domestic and international markets, adding new customers, cross-selling existing product lines to current customers and supporting its U.S. based customers' international expansion. The Company's goal is to achieve an internal growth rate of 3-5% per year, and over the last five years, it has achieved an average of 5% annual internal growth. Internal growth is defined by the Company as growth from its "core businesses," which include continuing businesses owned more than two years and minor acquisitions. The Company believes that its future internal growth will likely depend on its continued success in these areas, as well as external factors.

RESULTS OF OPERATIONS

The following table sets forth for the period indicated items from the Consolidated Statements of Income as a percentage of net sales:

Year Ended December 31,	1998	1997*	1996*
Net sales	100.0%	100.0%	100.0%
Cost of products sold	68.5	67.7	68.0
Gross income	31.5	32.3	32.0
Selling, general and administrative expenses	15.6	14.9	15.5
Goodwill amortization and other	1.5	1.0	0.8
Operating income	14.4	16.4	15.7
Nonoperating expenses:			
Interest expense	1.6	2.3	2.0
Other, net	(5.6)	(0.4)	(0.7)
	(4.0)	1.9	1.3
Pre-tax income	18.4	14.5	14.4
Income taxes	7.8	5.7	5.7
Net income	10.6%	8.8%	8.7%

* Restated for the merger with Calphalon Corporation, which was accounted for as a pooling of interests.

1998 vs. 1997

Net sales for 1998 were $3,720.0 million, representing an increase of $383.8 million or 11.5% from $3,336.2 million in 1997. The overall increase in net sales was primarily attributable to contributions from Rolodex (acquired in March 1997), Kirsch (acquired in May 1997), Eldon (acquired in June 1997), Swish (acquired in March 1998), Panex (acquired in June 1998), Gardinia (acquired in August 1998), Rotring (acquired in September 1998) and 4% internal growth. The 1997 and 1998 acquisitions are described in note 2 to the consolidated financial statements.

As of December 31, 1998, the Company adopted SFAS No. 131, "Disclosure about Segments of an Enterprise and Related Information." After reviewing the criteria for determining segments, the Company believes it has three reportable operating segments: Hardware and Home Furnishings, Office Products, and Housewares. This segmentation is

appropriate because the Company organizes its product categories into these groups when making operating decisions and assessing performance, and the Company divisions included in each group sell primarily to the same retail channel: Hardware and Home Furnishings (home centers and hardware stores), Office Products (office superstores and contract stationers), and Housewares (discount stores and warehouse clubs).

Net sales for each of the Company's segments (and the primary reasons for the year-to-year changes) were as follows, in millions:

Year Ended December 31,	1998	1997*	% Change
Hardware and Home Furnishings	$1,758.1	$1,484.8	18.4%(1)
Office Products	1,040.3	899.2	15.7%(2)
Housewares	921.6	952.2	(3.2)%(3)
	$3,720.0	$3,336.2	11.5%

Primary Reasons for Changes:

(1) 6% internal growth and Kirsch (May 1997), Swish (March 1998), and Gardinia (August 1998) acquisitions

(2) 8% internal growth and Rolodex (March 1997), Eldon (June 1997) and Rotring (September 1998) acquisitions, offset partially by Stuart Hall divestiture

(3) 3% internal sales declines and Newell Plastics divestiture, offset partially by Panex (June 1998) acquisition.

* Restated for the merger with Calphalon Corporation, which was accounted for as a pooling of interests.

Gross income as a percent of net sales in 1998 was 31.5% or $1,172.0 million versus 32.3% or $1,076.7 million in 1997. Excluding costs associated with the 1998 Calphalon acquisition and certain realignment and other charges, gross income as a percent of net sales in 1998 was 32.2%. The slight decrease in gross margins was due to the 1998 acquisitions, which had gross margins lower than the Company's average gross margins. As the 1998 acquisitions are integrated, the Company expects its gross margins to improve. This decline was partially offset by increases in gross margins at several of the Company's core businesses.

Selling, general and administrative expenses ("SG&A") in 1998 were 15.6% of net sales or $583.0 million versus 14.9% or $497.7 million in 1997. Excluding costs associated with the 1998 Calphalon

acquisition and certain realignment and other charges, SG&A was 15.0% of net sales. The slight increase in SG&A as a percent of net sales was primarily due to the 1998 acquisitions, whose spending levels are higher than the Company's average. As these acquisitions are integrated, the Company expects its SG&A spending levels as a percentage of net sales to decline.

The Company has reclassified trade names and goodwill amortization from nonoperating expense to operating expense for all periods presented. Trade names and goodwill amortization as a percentage of net sales was 1.0% in both 1998 and 1997, excluding charges of $16.2 million (which included write-offs of intangible assets) recorded in 1998.

Operating income in 1998 was 14.4% of net sales or $534.1 million versus 16.4% or $547.1 million in 1997. Excluding costs associated with the 1998 Calphalon acquisition ($28.8 million) and certain realignment and other charges ($38.8 million), operating income in 1998 was $601.7 or 16.2% of net sales. The slight decrease in operating margins in 1998 was primarily due to the 1998 acquisitions, whose operating margins are improving as they are being integrated but are still operating at less than the Company's average operating margins. This decline was offset partially by increases in operating margins at several of the Company's core businesses.

Other nonoperating income in 1998 was 4.0% of net sales or $150.7 million versus other nonoperating expenses of 1.9% or $61.8 million in 1997. The $212.5 million increase in income was due primarily to a net pre-tax gain of $191.5 million on the sale of the Company's stake in The Black & Decker Corporation and a pre-tax gain of $35.6 million on the sales of Stuart Hall and Newell Plastics. This increase was partially offset by increases in distributions of $25.2 million related to the convertible preferred securities issued by a subsidiary trust in December 1997.

For 1998 and 1997, the effective tax rates were 42.2% and 39.6%, respectively. The rate increase was the result of non-deductible goodwill related to the sales of the two businesses; excluding this item, the overall tax rate was 39.0% in 1998. See Note 11 to the consolidated financial statements for an explanation of the effective tax rate.

Net income for 1998 was $396.2 million, representing an increase of $103.1 million or 35.2% from 1997. Basic earnings per share in 1998 increased 34.8% to $2.44 versus $1.81 in 1997; diluted earnings per share in 1998 increased 32.2% to $2.38 versus $1.80 in 1997. Excluding the net pre-tax gain on the sale of Black & Decker stock of $191.5 million ($116.8 million after taxes), the net pre-tax gain of $35.6 million on the sales of Stuart Hall and Newell Plastics ($0.4 million after taxes) and costs associated with the 1998 Calphalon acquisition and certain realignment and other charges of $67.6 million ($40.8 million after taxes), net income in 1998

increased $26.7 million or 9.1% to $319.8 million. The increase in net income, excluding the gains and charges noted above, was primarily due to strong shipments at the Company's core Office Products and Hardware and Home Furnishings businesses.

1997 vs. 1996

Net sales for 1997 were $3,336.2 million, representing an increase of $363.4 million or 12.2% from $2,972.8 million in 1996. The overall increase in net sales was primarily attributable to contributions from Rolodex (acquired in March 1997), Kirsch (acquired in May 1997), Eldon (acquired in June 1997) and 3% internal growth. The 1997 acquisitions are described in note 2 to the consolidated financial statements.

Net sales for each of the Company's segments (and the primary reasons for the year-to-year changes) were as follows, in millions:

Year Ended December 31,	1997*	1996*	% Change
Hardware and Home Furnishings	$1,484.8	$1,299.3	14.3%(1)
Office Products	899.2	741.8	21.2%(2)
Housewares	952.2	931.7	2.2%(3)
	$3,336.2	$2,972.8	12.2%

Primary Reasons for Changes:

(1) 2% internal growth and Kirsch (May 1997) acquisition

(2) 6% internal growth and Rolodex (March 1997) and Eldon (June 1997) acquisitions

(3) Internal growth

* Restated for the merger with Calphalon Corporation, which was accounted for as a pooling of interests.

Gross income as a percent of net sales in 1997 was 32.3% or $1,076.7 million versus 32.0% or $952.7 million in 1996. Gross margins improved as a result of cost savings achieved through the integration of several picture frame businesses acquired by the Company in recent years, profitability improvement at the Company's Levolor Home Fashions division and increased gross margins at several of the Company's other core businesses. The increase in gross margins was offset partially by 1997 acquisitions which had gross margins lower than the Company's average gross margins. As these acquisitions are integrated, the Company expects its gross margins to improve.

SG&A in 1997 was 14.9% of net sales or $497.7 million versus 15.5% or $461.8 million in 1996. Core business SG&A spending as a percentage of sales decreased primarily as a result of cost savings arising from the picture frame business integration. This decrease was offset partially by the 1997 acquisitions, which had higher SG&A than the Company's average SG&A as a percent of net sales. As these acquisitions are integrated, the Company expects its SG&A spending levels as a percentage of net sales to decline.

Trade names and goodwill amortization as a percentage of net sales in 1997 was comparable to 1996.

Operating income in 1997 was 16.4% of net sales or $547.1 million versus 15.7% or $467.3 million in 1996. The increase in operating margins was primarily due to cost savings as a result of the

picture frame business integration, profitability improvement at the Company's Levolor Home Fashions division and increased core business gross margins, offset partially by 1997 acquisitions which had average operating margins lower than the Company's average operating margins.

Net nonoperating expenses in 1997 were 1.9% of net sales or $61.8 million versus 1.3% or $39.0 million in 1996. The $22.8 million increase was due primarily to a $16.6 million increase in interest expense (as a result of additional borrowings related to the 1997 acquisitions) and a $7.0 million decrease in dividend income. Dividend income decreased as a result of the conversion on October 15, 1996 by Black & Decker of 150,000 shares of privately placed Black & Decker convertible preferred stock, Series B, owned by the Company (purchased at a cost of $150.0 million) into 6.4 million shares of Black & Decker Common Stock. Prior to conversion, the preferred stock paid a 7.75% cumulative dividend, aggregating $2.9 million per quarter, before the effect of income taxes. After the conversion, the dividends paid to the Company on the shares of Black & Decker Common Stock owned by the Company as a result of the conversion totaled $0.8 million per quarter, before the effect of income taxes. For supplementary information regarding other nonoperating expenses, see note 12 to the consolidated financial statements.

The effective tax rate was 39.6% and 39.5% in 1997 and 1996, respectively. See Note 11 to the consolidated financial statements for an explanation of the effective tax rate.

Net income for 1997 was $293.1 million, representing an increase of $34.1 million or 13.2% from 1996. Basic earnings per share in 1997 increased 13.1% to $1.81 versus $1.60 in 1996; diluted earnings per share in 1997 increased 12.5% to $1.80 versus $1.60 in 1996. The increases in net income and earnings per share were primarily attributable to cost savings arising from the picture frame business integration, profitability improvement at the Company's Levolor Home Fashions division, cost savings as a result of the Kirsch integration into the Newell Window Furnishings division and increased operating margins at several of the Company's other core businesses.

LIQUIDITY AND CAPITAL RESOURCES

Sources

The Company's primary sources of liquidity and capital resources include cash provided from operations and use of available borrowing facilities.

Cash provided by operating activities in 1998 was $302.6 million, representing a decrease of $73.8 million from $376.4 million for 1997. This decrease was primarily due to an increase in payments related to liabilities at acquired businesses.

On March 3, 1998, the Company received $378.3 million (before the payment of taxes on the net gain) from the sale of 7,862,300 shares of Black & Decker common stock. The proceeds from the sale were used to pay down commercial paper.

In the third quarter of 1998, the Company received $199.0 million (before the payment of taxes on the net gains) from the sales of Stuart Hall and Newell Plastics.

The Company has short-term foreign and domestic uncommitted lines of credit with various banks which are available for short-term financing. Borrowings under the Company's uncommitted lines of credit are subject to discretion of the lender. The Company's uncommitted lines of credit do not have a material impact on the Company's liquidity. Borrowings under the Company's uncommitted lines of credit at December 31, 1998 totaled $69.2 million.

During 1997, the Company amended its revolving credit agreement to increase the aggregate borrowing limit to $1.3 billion, at a floating interest rate. The revolving credit agreement will terminate in August 2002. At December 31, 1998, there were no borrowings under the revolving credit agreement.

In lieu of borrowings under the Company's revolving credit agreement, the Company may issue up to $1.3 billion of commercial paper. The Company's revolving credit agreement provides the committed backup liquidity required to issue commercial paper. Accordingly, commercial paper may only be issued up to the amount available for borrowing under the Company's revolving credit agreement. At December 31, 1998, $125.0 million (principal amount) of commercial paper was outstanding. The entire amount is classified as long-term debt.

The Company has a universal shelf registration statement on file for the issuance of up to $500.0 million of debt and equity securities from time to time. The Company issued during 1998 and has outstanding as of December 31, 1998 a total of $470.5 million of Medium-term notes under this program. The maturities on these notes range from five to thirty years at an average interest rate of 6.0%.

At December 31, 1998, the Company had outstanding $263.0 million (principal amount) of Medium-term notes issued under a previous shelf registration statement with maturities ranging from five to ten years at an average interest rate of 6.3%.

Uses

The Company's primary uses of liquidity and capital resources include acquisitions, dividend payments and capital expenditures.

In 1998, the Company acquired Swish, Panex, Gardinia and Rotring and made other minor acquisitions for cash purchase prices totaling $413.3 million. In 1997, the Company acquired Rolodex, Kirsch and Eldon and made other minor acquisitions for cash purchase prices totaling $762.1 million. In 1996, the Company acquired Holson Burnes and completed other minor acquisitions for consideration that included cash of $42.6 million. All of these acquisitions were accounted for as purchases and were paid for with proceeds obtained from the issuance of commercial paper, medium-term notes and notes payable under the Company's lines of credit.

Capital expenditures were $147.7 million, $103.2 million and $96.2 million in 1998, 1997 and 1996, respectively. The increase in 1998 was primarily due to the replacement of glass manufacturing tanks at the Newell Europe and Anchor Hocking divisions.

The Company has paid regular cash dividends on its Common Stock since 1947. On February 8, 1999, the quarterly cash dividend was increased to $0.20 per share from the $0.18 per share that had been paid since February 10, 1998. Prior to this date, the quarterly cash dividend paid was $0.16 per share since February 11, 1997, which was an increase from the $0.14 per share paid since February 6, 1996. Dividends paid during 1998, 1997 and 1996 were $116.5 million, $101.8 million and $88.9 million, respectively.

Retained earnings increased in 1998, 1997 and 1996 by $279.7 million, $191.3 million and $170.1 million, respectively. The higher increase in 1998 versus the increase in 1997 was primarily due to a pre-tax gain of $191.5 million ($116.8 million after taxes) on the sale of the Black & Decker common stock. The average dividend payout ratio to common stockholders in 1998, 1997 and 1996 was 30%, 36% and 35%, respectively (represents the percentage of diluted earnings per share paid in cash to stockholders).

Working capital at December 31, 1998 was $769.6 million compared to $719.2 million at December 31, 1997 and $482.6 million at December 31, 1996. The current ratio at December 31, 1998 was 1.94:1 compared to 2.01:1 at December 31, 1997 and 1.72:1 at December 31, 1996.

Total debt to total capitalization (total debt is net of cash and cash equivalents, and total capitalization includes total debt, company-obligated mandatorily redeemable convertible preferred securities of a subsidiary trust and stockholders' equity) was .27:1 at December 31, 1998, .27:1 at December 31, 1997 and .35:1 at December 31, 1996.

The Company believes that cash provided from operations and available borrowing facilities will continue to provide adequate support for the cash needs of existing businesses; however, certain events, such as significant acquisitions, could require additional external financing.

LEGAL AND ENVIRONMENTAL MATTERS

The Company is subject to certain legal proceedings and claims, including various environmental matters, that have arisen in the ordinary conduct of its business. Such matters are more fully described in Note 14 to the Company's consolidated financial statements. The Company does not expect any amount it may be required to pay in excess of amounts reserved will have a material effect on its consolidated financial statements.

YEAR 2000 COMPUTER COMPLIANCE

State of Readiness

Any computer equipment that uses two digits instead of four to specify the year will be unable to interpret dates beyond the year 1999. This "Year 2000" issue could result in system failures or miscalculations causing disruptions of operations.

In order to address Year 2000 compliance issues, the Company has initiated a comprehensive project designed to minimize or eliminate these kinds of operational disruptions in its information technology ("IT") systems, as well as its non-IT systems (e.g., HVAC systems and building security systems). The project consists of six phases: company recognition, inventory of systems, impact analysis, planning, fixing and testing.

The Company has substantially completed all phases for its IT and non-IT systems in the United States. With respect to International IT systems, approximately 60% of the Company's critical business systems are currently compliant and approximately 40% are in the process of being fixed and tested. With respect to International non-IT systems, the assessment phase indicated a need for only minor fixing. For both International IT and non-IT systems, the fixing and testing phases currently underway are generally expected to be completed by June 1999.

As part of its Year 2000 project, the Company has initiated communications with all of its key vendors and services suppliers (including raw material and utility providers) to assess their state of Year 2000 readiness. Over 80% of its key vendors and service suppliers have responded in writing to the Company's Year 2000 readiness inquiries and have said they will be Year 2000 compliant. The Company plans to continue assessment of its third party business partners, including face-to-face meetings with management and/or onsite visits as deemed appropriate. The Company is prepared in cases where its main vendor or service provider cannot continue with its business due to Year 2000 problems to use alternate vendors as sources for required materials. Despite the Company's efforts, there can be no

guarantee that the systems of other companies which the Company relies upon to conduct its day-to-day business will be compliant.

Costs

The Company estimates that it will incur total expenses of $14 million to $16 million in conjunction with the Year 2000 compliance project (excluding such expenses relating to the Rubbermaid operations). As of December 31, 1998, the Company has spent $14 million in conjunction with this project. The majority of these expenditures were capitalized since they were associated with purchased software that would have been replaced in the normal course of business.

Risks

With respect to the risks associated with its IT and non-IT systems, the Company believes that the most likely worst case scenario is that the Company may experience minor system malfunctions and errors in the early days and weeks of 2000 that were not detected during its fixing and testing efforts. The Company also believes that these problems will not have a material effect on the Company's financial condition or results of operations.

With respect to the risks associated with third parties, the Company believes that the most likely worst case scenario is that some of the Company's vendors will not be compliant and will have difficulty filling orders and delivering goods. Management also believes that the number of such vendors will have been minimized by the Company's program of identifying non-compliant vendors and replacing or jointly developing alternative supply or delivery solutions prior to 2000. Due to the diversity of its product lines, the Company does not have material sensitivity to any one vendor or service supplier.

The Company has limited the scope of its risk assessment to those factors upon which it can reasonably be expected to have an influence. For example, the Company has made the assumption that government agencies, utility companies and telecommunications providers will continue to operate. Obviously, the lack of such services could have a material effect on the Company's ability to operate, but the Company has little if any ability to influence such an outcome, or to reasonably make alternative arrangements in advance for such services in the event they are unavailable.

Contingency Plans

In the United States, the Company has all of its major business systems running on a centralized system for all of its operating divisions. Although extensive testing has been completed for these systems, the following contingency plan has been adopted for Year 2000 issues that may occur on January 1, 2000 and thereafter:

- A triage team has been assembled which has the authority and financial capabilities to rectify all systems problems that may occur.

- The team consists of Corporate officers and managers from every support function.

- The team has access to vendor support hotlines and internal staffs.

- Once a problem has been identified and course of action determined, staff will be assigned to provide around-the-clock corrective actions until the problem is resolved.

INTERNATIONAL OPERATIONS

The Company's non-U.S. business is growing at a faster pace than its business in the United States. This growth outside the U.S. has been fueled by recent international acquisitions, which supplemented the Company's existing Canadian businesses and Newell International, the Company's subsidiary responsible for the majority of exports of the Company's products. For the year ended December 31, 1998, the Company's non-U.S. business accounted for approximately 22% of sales and 16% of operating income (see note 13 to the consolidated financial statements). Growth of both the U.S. and the non-U.S. businesses is shown below:

Year Ended December 31,	1998	1997*	% Change
(in millions)			
Net sales:			
U.S.	$2,906.1	$2,796.6	3.9%
Non-U.S.	813.9	539.6	50.8
Total	$3,720.0	$3,336.2	11.5%
Operating income:			
U.S.	$ 449.0	$ 460.8	(2.6)%
Non-U.S.	85.1	86.3	(1.4)
Total	$ 534.1	$ 547.1	(2.4)%

Year Ended December 31,	1997*	1996*	% Change
(in millions)			
Net sales:			
U.S.	$2,796.6	$2,558.2	9.3%
Non-U.S.	539.6	414.6	30.1
Total	$3,336.2	$2,972.8	12.2%
Operating income:			
U.S.	$ 460.8	$ 401.7	14.7%
Non-U.S.	86.3	65.7	31.4
Total	$ 547.1	$ 467.4	17.1%

* Restated for the merger with Calphalon Corporation, which was accounted for as a pooling of interests.

MARKET RISK

The Company's market risk is impacted by changes in interest rates, foreign currency exchange rates, and certain commodity prices. Pursuant to the Company's policies, natural hedging techniques and derivative financial instruments may be utilized to reduce the impact of adverse changes in market prices. The Company does not hold or issue derivative instruments for trading purposes.

The Company's primary market risk is interest rate exposure, primarily in the United States. The Company manages interest rate exposure through its conservative debt ratio target and its mix of fixed and floating rate debt. Interest rate exposure was reduced

significantly in 1997 from the issuance of $500 million 5.25% Company-Obligated Mandatorily Redeemable Convertible Preferred Securities of a Subsidiary Trust, the proceeds of which reduced commercial paper. Interest rate swaps may be used to adjust interest rate exposures when appropriate based on market conditions, and, for qualifying hedges, the interest differential of swaps is included in interest expense.

The Company's foreign exchange risk management policy emphasizes hedging anticipated intercompany and third-party commercial transaction exposures of one year duration or less. The Company focuses on natural hedging techniques of the following form: 1) offsetting or netting of like foreign currency cash flows, 2) structuring foreign subsidiary balance sheets with appropriate levels of debt to reduce subsidiary net investments and subsidiary cash flows subject to conversion risk, 3) converting excess foreign currency deposits into U.S. dollars or the relevant functional currency and 4) avoidance of risk by denominating contracts in the appropriate functional currency. In addition, the Company utilizes forward contracts and purchased options to hedge commercial and intercompany transactions. Gains and losses related to qualifying hedges of commercial transactions are deferred and included in the basis of the underlying transactions. Derivatives used to hedge intercompany transactions are marked to market with the corresponding gains or losses included in the consolidated statements of income.

Due to the diversity of its product lines, the Company does not have material sensitivity to any one commodity. The Company manages commodity price exposures primarily through the duration and terms of its vendor contracts.

The amounts shown below represent the estimated potential economic loss that the Company could incur from adverse changes in either interest rates or foreign exchange rates using the value-at-risk estimation model. The value-at-risk model uses historical foreign exchange rates and interest rates to estimate the volatility and correlation of these rates in future periods. It estimates a loss in fair market value using statistical modeling techniques and including substantially all market risk exposures (specifically excluding equity-method investments). The fair value losses shown in the table below have no impact on results of operations or financial condition as they represent economic not financial losses.

	Amount	Time Period	Confidence Level
(In millions)			
Interest rates	$8.6	1 day	95%
Foreign exchange	$1.8	1 day	95%

The 95% confidence interval signifies the Company's degree of confidence that actual losses would not exceed the estimated losses shown above. The amounts shown here disregard the possibility that interest rates and foreign currency exchange rates could move in the Company's favor. The value-at-risk model assumes that all movements in these rates will be adverse. Actual experience has shown that gains and losses tend to offset each other over time, and it is highly unlikely that the Company could experience losses such as these over an extended period of time. These amounts should not be considered projections of future losses, since actual results may differ significantly depending upon activity in the global financial markets.

EURO CURRENCY CONVERSION

On January 1, 1999, the "Euro" became the common legal currency for 11 of the 15 member countries of the European Union. On that date, the participating countries fixed conversion rates between their exiting sovereign currencies ("legacy currencies") and the Euro. On January 4, 1999, the Euro began trading on currency exchanges and became available for non-cash transactions, if the parties elect to use it. The legacy currencies will remain legal tender through December 31, 2001. Beginning January 1, 2002, participating countries will introduce Euro-denominated bills and coins, and effective July 1, 2002, legacy currencies will no longer be legal tender.

After the dual currency phase, all businesses in participating countries must conduct all transactions in the Euro and must convert their financial records and reports to be Euro-based. The Company has commenced an internal analysis of the Euro conversion process to prepare its information technology systems for the conversion and analyze related risks and issues, such as the benefit of the decreased exchange rate risk in cross-border transactions involving participating countries and the impact of increased price transparency on cross-border competition in these countries.

The Company believes that the Euro conversion process will not have a material impact on the Company's businesses or financial condition on a consolidated basis.

FORWARD LOOKING STATEMENTS

Forward-looking statements in this Report are made in reliance upon the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements may

relate to, but are not limited to, such matters as sales, income, earnings per share, return on equity, capital expenditures, dividends, capital structure, free cash flow, debt to capitalization ratios, interest rates, internal growth rates, Euro conversion plans and related risks, Year 2000 plans and related risks, pending legal proceeding and claims (including environmental matters), future economic performance, management's plans, goals and objectives for future operations and growth or the assumptions relating to any of the forward-looking information. The Company cautions that forward-looking statements are not guarantees since there are inherent difficulties in predicting future results. Actual results could differ materially from those expressed or implied in the forward-looking statements. Factors that could cause actual results to differ include, but are not limited to, those matters set forth in this Report, the documents incorporated by reference herein and Exhibit 99 to this Report.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

The information required by this item is incorporated herein by reference to the section entitled "Market Risk" in the Company's Management's Discussion and Analysis of Results of Operations and Financial Condition (Part II, Item 7).

Item 8. Financial Statements and Supplementary Data

Report of Independent Public Accountants

To the Stockholders of Newell Co.:

We have audited the accompanying consolidated balance sheets of Newell Co. (a Delaware corporation) and subsidiaries as of December 31, 1998, 1997 and 1996, and the related consolidated statements of income, stockholders' equity and comprehensive income and cash flows for each of the three years in the period ended December 31, 1998. These consolidated financial statements are the responsibility of Newell Co. management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Newell Co. and subsidiaries as of December 31, 1998, 1997 and 1996, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1998, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule listed in Part IV Item 14(a)(2) of this Form 10-K is presented for purposes of complying with the Securities and Exchange Commission's rules and is not a part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

Arthur Andersen LLP

Milwaukee, Wisconsin
January 27, 1999

CONSOLIDATED STATEMENTS OF INCOME

Year Ended December 31,	1998	1997*	1996*
(In thousands, except per share data)			
Net sales	$3,720,040	$3,336,233	$2,972,839
Cost of products sold	2,548,064	2,259,551	2,020,116
Gross Income	1,171,976	1,076,682	952,723
Selling, general and administrative expenses	583,016	497,739	461,802
Trade names and goodwill amortization and other	54,860	31,882	23,554
Operating Income	534,100	547,061	467,367
Nonoperating (income) expenses:			
Interest expense	60,397	76,413	58,541
Other, net	(211,143)	(14,686)	(19,474)
Net	(150,746)	61,727	39,067
Income Before Income Taxes	684,846	485,334	428,300
Income taxes	288,690	192,187	169,258
Net Income	$396,156	$293,147	$259,042
Earnings per share			
Basic	$2.44	$1.81	$1.60
Diluted	$2.38	$1.80	$1.60
Weighted average shares outstanding			
Basic	162,544	162,173	161,858
Diluted	173,041	163,308	162,281

* Restated for the merger with Calphalon Corporation, which was accounted for as a pooling of interests.

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Year Ended December 31,	1998	1997*	1996*
(In thousands)			
Operating Activities			
Net income	$ 396,156	$293,147	$259,042
Adjustments to reconcile net income to			
Net cash provided by operating activities:			
Depreciation and amortization	147,526	131,964	118,109
Deferred income taxes	56,600	57,792	44,203
Net gains on:			
Marketable equity securities	(116,800)	(1,723)	-
Sales of businesses	(388)	-	-
Write-off of intangible assets and other	4,288	2,365	1,338
Other	3,610	(6,961)	(6,364)
Changes in current accounts, excluding			
the effects of acquisitions:			
Accounts receivable	9,005	675	(5,956)
Inventories	(16,667)	5,233	21,110
Other current assets	3,928	(5,577)	(214)
Accounts payable	(44,583)	(21,974)	(22,416)
Accrued liabilities and other	(140,097)	(78,544)	(42,832)
Net Cash Provided By Operating Activities	302,578	376,397	366,020
Investing Activities			
Acquisitions, net	(437,639)	(715,316)	(58,213)
Expenditures for property, plant and equipment	(147,741)	(103,195)	(96,230)
Purchase of marketable equity securities	(26,056)	-	(3,513)
Sale of businesses, net of taxes paid	162,225	-	-
Sale of marketable securities, net of taxes paid	303,869	6,389	-
Disposals of non-current assets and other	10,633	5,082	8,430
Net Cash Used in Investing Activities	(134,709)	(807,040)	(149,526)
Financing Activities			
Proceeds from issuance of debt	502,670	148,073	4,164
Proceeds from the issuance of company-obligated mandatorily redeemable convertible preferred securities of a subsidiary trust	-	500,000	-
Proceeds from exercised stock options and other	3,859	17,026	7,274
Payments on notes payable and long-term debt	(535,043)	(98,714)	(195,799)
Cash dividends	(116,472)	(101,798)	(88,900)
Net Cash Provided by (Used in) Financing Activities	(144,986)	464,587	(273,261)
Exchange rate effect on cash	(1,477)	(2,200)	338
Increase (decrease) in cash and cash equivalents	21,406	31,744	(56,429)
Cash and cash equivalents at beginning of year	36,107	4,363	60,792

Cash and Cash Equivalents at End of Year	$ 57,513	$ 36,107	$ 4,363
Supplemental cash flow disclosures - Cash paid during the year for:			
Income taxes	$217,391	$ 162,100	$ 127,392
Interest	68,053	69,270	57,036

* Restated for the merger with Calphalon Corporation, which was accounted for as a pooling of interests.

See notes to consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

December 31,	1998	1997*	1996*
(In thousands)			
Assets			
Current Assets			
Cash and cash equivalents	$ 57,513	$ 36,107	$ 4,363
Accounts receivable, net	652,354	544,375	424,479
Inventories, net	714,531	653,200	524,444
Deferred income taxes	90,437	134,732	126,200
Prepaid expenses and other	76,240	65,280	68,978
Total Current Assets	1,591,075	1,433,694	1,148,464
Marketable Equity Securities	19,317	307,121	240,789
Other Long-Term Investments	57,967	51,020	58,703
Other Assets	166,543	144,475	119,720
Property, Plant and Equipment, Net	835,646	711,325	567,880
Trade Names and Goodwill, Net	1,657,364	1,364,099	922,874
Total Assets	$ 4,327,912	$4,011,734	$3,058,430
Liabilities and Stockholders' Equity			
Current Liabilities			
Notes payable	$ 69,167	$ 52,636	$ 73,877
Accounts payable	164,328	138,531	114,158
Accrued compensation	80,794	82,676	67,269
Other accrued liabilities	480,048	397,561	337,729
Income taxes	20,036	11,797	37,914
Current portion of long-term debt	7,083	31,278	34,937
Total Current Liabilities	821,456	714,479	665,884
Long-Term Debt	866,211	786,793	685,608
Other Non-Current Liabilities	206,560	186,673	159,439
Deferred Income Taxes	20,821	90,216	47,477
Minority Interest	857	8,352	-
Company-Obligated Mandatorily Redeemable Convertible Preferred Securities of a Subsidiary Trust	500,000	500,000	-
Stockholders' Equity			
Common Stock - authorized shares, 400.0 million at $1 par value; Outstanding shares: 1998 - 162.7 million 1997 - 162.3 million 1996 - 162.0 million	162,739	162,330	161,965
Additional paid-in capital	204,495	201,045	194,829
Retained earnings	1,585,327	1,305,643	1,114,294

Accumulated other comprehensive income	(40,554)	56,203	28,934
Total Stockholders' Equity	1,912,007	1,725,221	1,500,022
Total Liabilities and Stockholders Equity	$ 4,327,912	$4,011,734	$3,058,430

* Restated for the merger with Calphalon Corporation, which was accounted for as a pooling of interests.

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY AND COMPREHENSIVE INCOME

(In thousands, except per share data)	Common Stock	Additional Paid-In Capital(1)	Retained Earnings	Accumulated Other Compre-hensive Income	Current Year Compre-hensive Income
Balance at December 31, 1995*	$161,720	$187,800	$944,152	$ 7,913	
Net income			259,042		$ 259,042
Other comprehensive income:					
Unrealized gain on securities available for sale, net of tax of $13.6 million				20,683	20,683
Foreign currency translation adjustments, net of tax of $0.2 million				338	338
Total comprehensive income					$ 280,063
Cash dividends:					
Common stock $0.56 per share			(88,900)		
Exercise of stock options	245	7,088			
Other		(59)			
Balance at December 31, 1996*	161,965	194,829	1,114,294	28,934	
Net income			293,147		$ 293,147
Other comprehensive income:					
Unrealized gain on securities available for sale, net of tax of $27.7 million				42,244	42,244
Foreign currency translation adjustments, net of tax of $9.8 million				(14,975)	(14,975)
Total comprehensive income					$ 320,416
Cash dividends:					
Common stock $.64 per share			(101,798)		
Exercise of stock options	365	6,818			
Other		(602)			
Balance at December 31, 1997*	162,330	201,045	1,305,643	56,203	
Net income			396,156		$ 396,156
Other comprehensive income:					
Unrealized gain on securities available for sale, net of tax of $21.6 million				33,850	33,850
Reclassification adjustment for gains realized in net income, net of tax of $74.7 million				(116,800)	(116,800)

Foreign currency translation adjustments, net of tax of $8.8 million				(13,807)	(13,807)
Total comprehensive income					$ 299,399
Cash dividends:					
Common stock $.72 per share			(116,472)		
Exercise of stock options	409	8,080			
Other		(4,630)			
Balance at December 31, 1998	$162,739	$204,495	$1,585,327	$ (40,554)	

(1) Net of treasury stock (at cost) of $1,534, $665 and $199 as of December 31, 1998, 1997 and 1996, respectively.

* Restated for the merger with Calphalon Corporation, which was accounted for as a pooling of interests.

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1998, 1997 AND 1996

1) SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION: The consolidated financial statements include the accounts of Newell and its majority owned subsidiaries ("the Company") after elimination of intercompany accounts and transactions.

USE OF ESTIMATES: The preparation of these financial statements required the use of certain estimates by management in determining the Company's assets, liabilities, revenue and expenses and related disclosures.

REVENUE RECOGNITION: Sales of merchandise are recognized upon shipment to customers.

DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS: The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

LONG-TERM DEBT: The fair value of the Company's long-term debt issued under the Medium-term note program is estimated based on quoted market prices which approximate cost. All other significant long-term debt is pursuant to floating rate instruments whose carrying amounts approximate fair value.

COMPANY-OBLIGATED MANDATORILY REDEEMABLE CONVERTIBLE PREFERRED SECURITIES OF A SUBSIDIARY TRUST: The fair value of the Company-Obligated Mandatorily Redeemable Convertible Preferred Securities of a Subsidiary Trust was $527.5 million at December 31, 1998 based on quoted market prices.

ALLOWANCES FOR DOUBTFUL ACCOUNTS: Allowances for doubtful accounts at December 31 totaled $24.5 million in 1998, $21.2 million in 1997 and $15.0 million in 1996.

INVENTORIES: Inventories are stated at the lower of cost or market value. Cost of certain domestic inventories (approximately 74%, 84% and 90% of total inventories at December 31, 1998, 1997 and 1996, respectively) was determined by the "last-in, first-out" ("LIFO") method; for the balance, cost was determined using the "first-in, first-out" ("FIFO") method. If the FIFO inventory valuation method had been used exclusively, inventories would have increased by $3.5 million, $19.2 million and $27.4 million at December 31, 1998, 1997 and 1996, respectively.

The components of inventories, net of the LIFO reserve, were as follows:

December 31,	1998	1997	1996
(In millions)			
Materials and supplies	$150.4	$142.8	$128.7
Work in process	122.1	109.9	91.4
Finished products	442.0	400.5	304.3
	$714.5	$653.2	$524.4

Inventory reserves at December 31 totaled $103.0 million in 1998, $93.9 million in 1997 and $82.6 million in 1996.

OTHER LONG-TERM INVESTMENTS: The Company has a 49% ownership interest in American Tool Companies, Inc., a manufacturer of hand tools and power tool accessory products marketed primarily under the Vise-Grip(TM) and Irwin(TM) trademarks. This investment is accounted for on the equity method with a net investment of $58.0 million at December 31, 1998.

LONG-TERM MARKETABLE EQUITY SECURITIES: Long-term Marketable Equity Securities classified as available for sale are carried at fair value with adjustments to fair value reported separately, net of tax, as a component of stockholders' equity (and excluded from earnings). Gains and losses on the sales of Long-term Marketable Equity Securities are based upon the average cost of securities sold. On March 8, 1998, the Company sold 7,862,300 shares it held in The Black & Decker Corporation. The Black & Decker transaction resulted in net proceeds of approximately $378.3 million and a net pre-tax gain, after fees and expenses, of approximately $191.5 million. Long-term Marketable Equity Securities are summarized as follows:

December 31,	1998	1997	1996
(In millions)			
Aggregate market value	$19.3	$307.1	$240.8
Aggregate cost	26.0	176.8	180.3
Unrealized gain (loss)	$(6.7)	$130.3	$ 60.5

PROPERTY, PLANT AND EQUIPMENT: Property, plant and equipment consisted of the following:

December 31,	1998	1997	1996
(In millions)			
Land	$ 41.2	$ 34.1	$ 21.4
Buildings and improvements	337.7	278.6	213.2
Machinery and equipment	951.9	854.9	714.5
	1,330.8	1,167.6	949.1
Allowance for depreciation	(495.2)	(456.3)	(381.2)
	$ 835.6	$ 711.3	$ 567.9

Replacements and improvements are capitalized. Expenditures for maintenance and repairs are charged to expense. The components of depreciation are provided by annual charges to income calculated to amortize, principally on the straight-line basis, the cost of the depreciable assets over their depreciable lives. Estimated useful lives determined by the Company are: buildings and improvements (20-40 years), machinery and equipment (5-12 years).

TRADE NAMES AND GOODWILL: The cost of trade names and goodwill represent the excess of cost over identifiable net assets of businesses acquired. The Company does not allocate such excess cost to trade names separate from goodwill. In addition, the Company may allocate excess cost to other identifiable intangible assets and record such intangible assets in Other Assets (long-term). Trade names and goodwill are amortized over 40 years and other identifiable intangible assets are amortized over 5 to 40 years. Trade names and goodwill and other indentifiable intangible assets consisted of the following:

December 31,	1998	1997	1996
(In millions)			
Trade Names and Goodwill			
Cost	$1,838.6	$1,502.9	$1,029.6
Accumulated amortization	(181.2)	(138.8)	(106.7)
Net Trade Names and Goodwill	$1,657.4	$1,364.1	$ 922.9

December 31,	1998	1997	1996
(In millions)			
Other Identifiable Intangible Assets			
Cost	$66.7	$60.2	$55.8
Accumulated amortization	(26.3)	(28.2)	(20.9)
Net other identifiable intangible assets recorded in Other Assets	$40.4	$32.0	$34.9

Subsequent to an acquisition, the Company periodically evaluates whether later events and circumstances have occurred that indicate the remaining estimated useful life of goodwill may warrant revision or that the remaining balance of goodwill may not be recoverable. If factors indicate that goodwill should be evaluated for possible impairment, the Company would use an estimate of the relevant business' undiscounted net cash flow over the remaining life of the goodwill in measuring whether the goodwill is recoverable. An impairment loss would be measured by reducing the carrying value to fair value, based on a discounted cash flow analysis.

ACCRUED LIABILITIES: Accrued Liabilities included the following:

December 31,	1998	1997	1996
(In millions)			
Customer accruals	$131.5	$135.9	$ 95.8
Accrued self-insurance liability	43.7	42.8	47.0

Customer accruals are promotional allowances and rebates given to customers in exchange for their selling efforts. The self-insurance accrual is primarily for workers' compensation and is estimated based upon historical claim experience.

FOREIGN CURRENCY TRANSLATION: Foreign currency balance sheet accounts are translated into U.S. dollars at the rates of exchange in effect at fiscal year end. Income and expenses are translated at the average rates of exchange in effect during the year. The related translation adjustments are made directly to a separate component of stockholders' equity. International subsidiaries operating in highly inflationary economies translate non-monetary assets at historical rates, while net monetary assets are translated at current rates, with the resulting translation adjustment included in net income as other nonoperating (income) expenses. Foreign currency transaction gains and losses were immaterial in 1998, 1997 and 1996.

ADVERTISING COSTS: The company expenses advertising costs as incurred, including cooperative advertising programs with customers. Total advertising expense was $111.1 million, $101.1 million, and $78.9 million for 1998, 1997, and 1996, respectively. Cooperative advertising is recorded in the financial statements as a reduction of sales because it is viewed as part of the negotiated price of its products. All other advertising costs are charged to selling, general and administrative expenses.

EARNINGS PER SHARE: The earnings per share amounts are computed based on the weighted average monthly number of shares outstanding during the year. "Basic" earnings per share is calculated by dividing net income (before cumulative effect of accounting change) by weighted average shares outstanding. "Diluted" earnings per share is calculated by dividing net income (before cumulative effect of accounting change) by weighted average shares outstanding, including the assumption of the exercise and/or conversion of all potentially dilutive securities ("in the money" stock options and company-obligated mandatorily redeemable convertible preferred securities of a subsidiary trust). Effective December 31, 1997, the Company adopted SFAS No. 128, "Earnings Per Share." As a result, the Company's reported earnings per share for 1996 was restated.

A reconciliation of the difference between basic and diluted earnings per share for the years 1998, 1997 and 1996 is shown below:

Year Ended December 31, 1998	Basic Method	"In the Money" Stock Options	Convertible Preferred Securities	Diluted Method
(In millions, except per share data)				
Net Income	$396.2	-	$16.1	$412.3
Weighted average shares outstanding	162.5	0.6	9.9	173.0
Earnings per share	2.44			2.38

Year Ended December 31, 1997	Basic Method	"In the Money" Stock Options	Convertible Preferred Securities	Diluted Method
(In millions, except per share data)				
Net Income	$293.1	-	$0.9	$294.0
Weighted average shares outstanding	162.2	0.6	0.5	163.3
Earnings per share	1.81			1.80

Year Ended December 31, 1996	Basic Method	"In the Money" Stock Options	Convertible Preferred Securities	Diluted Method
(In millions, except per share data)				
Net Income	$259.0	-	$ -	$259.0
Weighted average shares outstanding	161.9	0.4	-	162.3
Earnings per share	1.60			1.60

COMPREHENSIVE INCOME: In 1998, the Company adopted Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income," (SFAS No. 130), which requires companies to report all changes in equity during a period, except those resulting from investment by owners and distribution to owners, in a financial statement for the period in which they are recognized. The Company has chosen to report Comprehensive Income and Accumulated Other Comprehensive Income, which encompasses net income, net unrealized gains on securities available for sale and foreign currency translation adjustments, in the Consolidated Statements of Stockholders' Equity and Comprehensive Income. Prior years have been restated to conform to the SFAS No. 130 requirements.

The following table displays the components of Accumulated Other Comprehensive Income:

	Unrealized Gains/(Losses) on Securities	Foreign Currency Translation	Accumulated Other Comprehensive Income
(In millions)			
Balance at Dec. 31, 1995	$15.9	$(8.0)	$7.9
Current year change	20.7	0.3	21.0
Balance at Dec. 31, 1996	36.6	(7.7)	28.9
Current year change	42.2	(14.9)	27.3
Balance at Dec. 31, 1997	78.8	(22.6)	56.2
Current year change	(82.9)	(13.9)	(96.8)
Balance at Dec. 31, 1998	$ (4.1)	$(36.5)	$(40.6)

NEW ACCOUNTING PRONOUNCEMENTS: Effective December 31, 1998, the Company adopted SFAS No. 131, "Disclosure about Segments of an Enterprise and Related Information (SFAS No. 131)." See note 13 to the consolidated financial statements.

Effective December 31, 1998, the Company adopted SFAS No. 132, "Employers' Disclosures about Pensions and Other Postretirement

Benefits (SFAS No.132)." See note 8 to the consolidated financial statements.

Effective January 1, 2000, the Company will adopt SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." Management believes that the adoption of this statement will not be material to the consolidated financial statements.

RECLASSIFICATIONS: Certain 1997 and 1996 amounts have been reclassified to conform with the 1998 presentation. In particular, the Company began reclassifying the amortization of trade names and goodwill from non-operating expenses to operating expenses in the first quarter of 1998. This change required a restatement for all periods presented.

2) ACQUISITIONS OF BUSINESSES

1996 and 1997

On January 19, 1996, the Company acquired The Holson Burnes Group, Inc. ("Holson Burnes"), a manufacturer and marketer of photo albums and picture frames. Holson Burnes was combined with Intercraft, creating the Intercraft/Burnes division.

On March 5, 1997, the Company purchased Insilco Corporation's Rolodex business unit ("Rolodex"), a marketer of office products including card files, personal organizers and paper punches. Rolodex was integrated into the Company's Newell Office Products division. On May 30, 1997, the Company acquired Cooper Industries Incorporated's Kirsch business ("Kirsch"), a manufacturer and distributor of drapery hardware and custom window coverings in the United States and international markets. The Kirsch North American operations were combined with the Newell Window Furnishings division. The European operations of Kirsch exist as a separate division called Newell Window Fashions Europe. On June 13, 1997, the Company acquired Rubbermaid Incorporated's office products business, including the Eldon{R} brand name (now referred to as "Eldon"). Eldon is a designer, manufacturer and supplier of computer and plastic desk accessories, and storage and organization products. Eldon was integrated into the Company's Newell Office Products division.

For these and other minor acquisitions, the Company paid $804.7 million in cash and assumed $48.8 million of debt. The transactions were accounted for as purchases; therefore, results of operations are included in the accompanying consolidated financial statements since their respective dates of acquisition. The acquisition costs were allocated to the fair market value of the assets acquired and liabilities assumed and resulted in trade names and goodwill of approximately $621.2 million.

1998

On March 27, 1998, the Company acquired Swish Track and Pole ("Swish") from Newmond PLC. Swish is a manufacturer and marketer of decorative and functional window furnishings in Europe and operates as part of Newell Window Fashions Europe. On June 30, 1998, the Company purchased Panex S.A. Industria e Comercio ("Panex"), a manufacturer and marketer of aluminum cookware products based in Brazil. Panex operates as part of the Mirro division. On August 31, 1998, the Company purchased the Gardinia Group ("Gardinia"), a manufacturer and supplier of window treatments based in Germany. Gardinia operates as part of Newell Window Fashions Europe. On September 30, 1998 the Company purchased the Rotring Group ("Rotring"), a manufacturer and supplier of writing instruments, drawing instruments, art materials and color cosmetic products based in Germany. The writing and drawing instruments piece of Rotring operates as part of the Company's Sanford International division. The art materials portion of Rotring operates as part of the Company's Sanford North America division. The color cosmetic products piece of Rotring operates as a separate U.S. division called Cosmolab.

For these and other minor acquisitions, the Company paid $413.3 million in cash and assumed $118.2 million of debt. The transactions were accounted for as purchases; therefore, results of operations are included in the accompanying consolidated financial statements since their respective dates of acquisition. The acquisition costs were allocated on a preliminary basis to the fair market value of the assets acquired and liabilities assumed and resulted in trade names and goodwill of approximately $360.5 million. The Company began to formulate an integration plan for these acquisitions as of their respective acquisition dates. No integration liabilities have been included in the allocation of purchase price as of December 31, 1998. Such costs will be accrued upon finalization of each acquisition's integration plan. The Company's finalized integration plan will include exit costs for certain plants and product lines and employee terminations associated with the integration of the Swish and Gardinia businesses into the existing Newell Window Fashions Europe businesses, the Rotring business into the existing Sanford International writing instruments businesses and the Panex business into the existing housewares businesses. The final adjustments to the purchase price allocations are not expected to be material to the consolidated financial statements.

On May 7, 1998, a subsidiary of the Company merged with Calphalon Corporation ("Calphalon"), a manufacturer and marketer of gourmet cookware. The Company issued approximately 3.1 million shares of common stock for all of the common stock of Calphalon. This transaction was accounted for as a pooling of interests; therefore, prior financial statements were restated to reflect this merger. Net sales and net income for the individual companies for periods prior to the merger were as follows:

	Four months ended April 30, 1998	Year ended Dec. 31, 1997	Year ended Dec. 31, 1996
(In millions)			
Net sales:			
Newell	$1,009.9	$3,234.3	$2,872.8
Calphalon	28.5	101.9	100.0
Total net sales	$1,038.4	$3,336.2	$2,972.8
Net income:			
Newell	$ 169.6	$ 290.4	$ 256.5
Calphalon	(0.7)	2.7	2.5
Total net income	$ 168.9	$ 293.1	$ 259.0

Conforming Calphalon's accounting practices to those of Newell resulted in no adjustments to net income or stockholders' equity. There were no significant intercompany transactions between Newell and Calphalon.

On August 21, 1998, the Company sold its school supplies and stationery business. On September 9, 1998, the Company sold its plastic storage and serveware business. The pre-tax net gain on the sales of these businesses was $35.6 million, which was primarily offset by non-deductible goodwill, resulting in a net after-tax gain which was immaterial. Sales for these businesses prior to their divestitures were approximately $110 million in 1998 and $160 million in 1997.

The unaudited consolidated results of operations for the year ended December 31, 1998 and 1997 on a pro forma basis, as though the Rolodex, Kirsch, Eldon, Swish, Panex, Gardinia and Rotring businesses had been acquired on January 1, 1997, are as follows:

Year Ended December 31,	1998	1997
(In millions, except per share amounts)		
Net sales	$4,103.9	$4,162.9
Net income	381.7	265.5
Earnings per share (basic)	$2.35	$1.64

Proposed Merger of the Company

On October 20, 1998, Newell and Rubbermaid Incorporated ("Rubbermaid") entered into an Agreement and Plan of Merger ("Merger Agreement"), providing for the merger of a subsidiary of Newell into Rubbermaid, leaving Rubbermaid a wholly owned subsidiary of Newell ("Proposed Merger"). After the Proposed Merger, Newell will be re-named "Newell Rubbermaid Inc." The Proposed Merger, which will be accounted for as a pooling of interests and will be tax-free for federal income tax purposes, has been approved by the respective Boards of Directors, as well as the applicable regulatory agencies. The Companies expect the Proposed Merger to become effective before the end of the first quarter of 1999.

Under the terms of the Merger Agreement, the outstanding shares of Newell's common stock will remain unchanged and outstanding, and each outstanding share of Rubbermaid common stock will be converted into 0.7883 shares of Newell common stock.

The following summary contains selected unaudited pro forma financial data as of and for the year ended December 31, 1998. The pro forma combined earnings per share reflect the issuance of shares based on the exhange ratio.

(In millions, except per share amounts)	Newell	Rubbermaid	Pro Forma Adjustments	Pro Forma Combined
Net Sales	$3,720.0	$2,553.7	$(98.6)(1)	$6,175.1
Operating Income	534.1	136.4	(2.3)(2)	668.2
Net Income	396.2	82.9	1.4(2)	480.5
Earnings per share:				
-Basic	2.44	0.55		1.71
-Diluted	2.38	0.55		1.71
Total Assets	4,327.9	2,127.9	(97.0)(2)	6,358.8
Long-term debt	866.2	152.5		1,018.7

(1) The Pro Forma net sales adjustment represents a reclassification of Rubbermaid's cooperative advertising to conform with Newell's classification.

(2) The Pro Forma adjustments primarily represent the elimination of the accounting effects related to Newell's purchase of a former Rubbermaid operating division (Eldon) in 1997. Because the Newell Rubbermaid merger will be accounted for as a pooling of interests, the

accounting effects of Newell's purchase of Eldon must be eliminated as if Newell has always owned Eldon.

Rubbermaid is an international manufacturer and marketer of consumer products sold primarily under the Rubbermaid{R}, Little Tikes{R}, Graco{R}, Century{R}, and Curver{R} brands. Rubbermaid's major customers include discount stores and warehouse clubs, toy stores, home centers and hardware stores, drug and grocery stores, catalog showrooms, and distributors serving institutional markets. Rubbermaid has approximately 12,000 employees.

3) CREDIT ARRANGEMENTS

The Company has short-term foreign and domestic uncommitted lines of credit with various banks which are available for short-term financing. Borrowings under the Company's uncommitted lines of credit are subject to discretion of the lender. The Company's uncommitted lines of credit do not have a material impact on the Company's liquidity. Borrowings under the Company's uncommitted lines of credit at December 31, 1998 totaled $69.2 million.

The following is a summary of borrowings under foreign and domestic lines of credit:

December 31,	1998	1997	1996
(In millions)			
Notes payable to banks:			
Outstanding at year-end			
- borrowing	$69.2	$ 52.6	$ 73.9
- weighted average interest rate	5.9%	4.5%	4.7%
Average for the year			
- borrowing	$45.0	$132.6	$100.9
- weighted average interest rate	7.5%	5.4%	5.3%
Maximum borrowing outstanding during the year	$69.2	$417.3	$127.0

The Company can also issue commercial paper (as described in note 4 to the consolidated financial statements) as summarized below:

December 31,	1998	1997	1996
(In millions)			
Commercial paper:			
Outstanding at year-end			
- borrowing	$125.0	$517.0	$404.0
- average interest rate	5.6%	6.5%	5.9%
Average for the year			

- borrowing	$287.9	$731.3	$512.3
- average interest rate	5.5%	5.6%	5.3%
Maximum borrowing outstanding during the year	$572.0	$1,177.6	$594.0

4) LONG-TERM DEBT

The following is a summary of long-term debt:

December 31,	1998	1997	1996
(In millions)			
Medium-term notes	$733.5	$263.0	$295.0
Commercial paper	125.0	517.0	404.0
Other long-term debt	14.8	38.1	21.5
	873.3	818.1	720.5
Current portion	(7.1)	(31.3)	(34.9)
	$866.2	$786.8	$685.6

During 1997, the Company amended its revolving credit agreement to increase the aggregate borrowing limit to $1.3 billion, at a floating interest rate. The revolving credit agreement will terminate in August 2002. At December 31, 1998, there were no borrowings under the revolving credit agreement.

In lieu of borrowings under the Company's revolving credit agreement, the Company may issue up to $1.3 billion of commercial paper. The Company's revolving credit agreement provides the committed backup liquidity required to issue commercial paper. Accordingly, commercial paper may only be issued up to the amount available for borrowing under the Company's revolving credit agreement. At December 31, 1998, $125.0 million (principal amount) of commercial paper was outstanding. The entire amount is classified as long-term debt.

The revolving credit agreement permits the Company to borrow funds on a variety of interest rate terms. This agreement requires, among other things, that the Company maintain a certain Total Indebtedness to Total Capital Ratio, as defined in this agreement. As of December 31, 1998, the Company was in compliance with this agreement.

The Company has a universal shelf registration statement on file for the issuance of up to $500.0 million of debt and equity securities from time to time. The Company issued during 1998 and has outstanding as of December 31, 1998 a total of $470.5 million of Medium-term notes under this program. The maturities on these notes range from five to thirty years at an average interest rate of 6.0%.

At December 31, 1998, the Company had outstanding $263.0 million (principal amount) of medium-term notes issued under a previous shelf registration statement with maturities ranging from five to ten years at an average interest rate of 6.3%.

The aggregate maturities of Long-term Debt outstanding are as follows:

December 31, (In millions)	Aggregate Maturities
1999	$ 7.1
2000	148.1
2001	2.9
2002	227.4
2003	117.9
Thereafter	369.9
	$873.3

5) COMPANY-OBLIGATED MANDATORILY REDEEMABLE CONVERTIBLE PREFERRED SECURITIES OF A SUBSIDIARY TRUST OF THE COMPANY

In December 1997, a wholly owned subsidiary trust of the Company issued 10,000,000 of its 5.25% convertible quarterly income preferred securities (the "Convertible Preferred Securities"), with a liquidation preference of $50 per security, to certain institutional buyers. The Convertible Preferred Securities represent an undivided beneficial interest in the assets of the trust. Each of the Convertible Preferred Securities is convertible at the option of the holder into shares of the Company's Common Stock at the rate of 0.9865 shares of Common Stock for each preferred security (equivalent to the approximate conversion price of $50.685 per share of Common Stock), subject to adjustment in certain circumstances. Holders of the Convertible Preferred Securities are entitled to a quarterly cash distribution at the annual rate of 5.25% of the $50 liquidation preference commencing March 1, 1998. The Convertible Preferred Securities are subject to a limited guarantee by the Company and are callable by the Company initially at 103.15% of the liquidation preference beginning in December 2001 and decreasing over time to 100% of the liquidation preference beginning in December 2007.

The trust invested the proceeds of this issuance of Convertible Preferred Securities in $500 million of the Company's 5.25% Junior Convertible Subordinated Debentures due 2027 (the "Debentures"). The

Debentures are the sole assets of the trust, mature on December 1, 2027, bear interest at the rate of 5.25%, payable quarterly, commencing March 1, 1998, and are redeemable by the Company beginning in December 2001. The Company may defer interest payments on the Debentures for a period not to exceed 20 consecutive quarters during which time distribution payments on the Convertible Preferred Securities are also deferred. Under this circumstance, the Company may not declare or pay any cash distributions with respect to its capital stock or debt securities that rank pari passu with or junior to the Debentures. The Company has no current intention to exercise its right to defer payments of interest on the Debentures.

The Convertible Preferred Securities are reflected as outstanding in the Company's consolidated financial statements as Company-Obligated Mandatorily Redeemable Convertible Preferred Securities of a Subsidiary Trust.

6) DERIVATIVE FINANCIAL INSTRUMENTS

The Company has only limited involvement with derivative financial instruments and does not use them for trading purposes. They are used to manage certain interest rate and foreign currency risks.

Interest rate swap agreements are utilized to convert certain floating rate debt instruments into fixed rate debt. Cash flows related to interest rate swap agreements are included in interest expense over the terms of the agreements.

The Company utilizes forward exchange contracts to manage foreign exchange risk related to anticipated intercompany and third-party commercial transaction exposures of one year duration or less. Gains and losses related to qualifying hedges of commercial transactions are deferred and included in the basis of the underlying transactions. Derivatives used to hedge intercompany transactions are marked to market with the corresponding gains or losses included in the consolidated statements of income.

The following table summarizes the Company's forward contracts in U.S. dollars by major currency and contractual amount. The "buy" amounts represent the U.S. equivalent of commitments to purchase foreign currencies, and the "sell" amounts represent the U.S. equivalent of commitments to purchase foreign currencies according to local needs in foreign subsidiaries. The contractual amounts of significant forward contracts and their fair value were as follows:

December 31,	1998		1997	
(In millions)				
	Buy	Sell	Buy	Sell
French francs	$ -	$154.8	$ 8.4	$23.5
Deutsch marks	0.4	171.5	0.3	4.1
Japanese yen	-	-	18.2	-
	$0.4	$326.3	$26.9	$27.6
Fair Value	$0.3	$324.5	$26.2	$27.3

The Company's forward contracts do not subject the Company to risk due to foreign exchange rate movement, since gains and losses on these contracts generally offset losses and gains on the assets, liabilities and other transactions being hedged.

The Company does not obtain collateral or other security to support derivative financial instruments subject to credit risk but monitors the credit standing of the counterparties.

7) LEASES

The Company has minimum rental payments through the year 2018 under noncancellable operating leases as follows:

Year ended December 31, (In millions)	Minimum Payments
1999	$34.6
2000	24.0
2001	17.5
2002	13.4
2003	7.7
Thereafter	11.9
	$109.1

Total rental expense for all operating leases was approximately $57.1 million, $50.9 million and $45.2 million in 1998, 1997 and 1996, respectively.

8) EMPLOYEE BENEFIT RETIREMENT PLANS

The Company and its subsidiaries have noncontributory pension and profit sharing plans covering substantially all of its foreign and domestic employees. Pension plan benefits are generally based on years of service and/or compensation. The Company's funding policy is to contribute not less than the minimum amounts required by the Employee Retirement Income Security Act of 1974 or local statutes to assure that plan assets will be adequate to provide retirement benefits. The Company's common stock comprised $69.3 million, $71.4 million and $52.9 million of pension plan assets at December 31, 1998, 1997 and 1996, respectively.

Total expense under all profit sharing plans was $7.6 million, $8.0 million, and $7.1 million for the years ended December 31, 1998, 1997 and 1996, respectively.

In addition to the Company's pension and profit sharing plans, several of the Company's subsidiaries currently provide retiree health care benefits for certain employee groups.

The following provides a reconciliation of benefit obligations, plan assets and funded status of the plans, within the guidelines of SFAS No. 132:

December 31,	Pension Benefits 1998	1997	1996	Other Postretirement Benefits 1998	1997	1996
(In millions)						
Change in benefit obligation						
Benefit obligation at January 1	$578.0	$484.7	$313.4	$ 114.9	$ 96.9	$ 95.1
Service cost	20.1	15.9	16.3	1.7	1.7	2.1
Interest cost	42.7	38.7	36.2	8.5	8.0	7.7
Amendments	2.2	0.1	-	-	-	-
Actuarial loss/(gain)	34.3	11.9	(13.1)	2.9	(5.6)	3.4
Acquisitions	33.7	60.6	162.3	-	24.7	-
Currency exchange	(0.3)	-	1.6	-	-	-
Benefits paid from plan assets	(37.1)	(33.9)	(32.0)	(12.1)	(10.8)	(11.4)
Benefit obligation at December 31	$673.6	$578.0	$484.7	$ 115.9	$ 114.9	$ 96.9
Change in plan assets						
Fair value of plan assets at January 1	$738.4	$587.6	$341.9	$ -	$ -	$ -
Actual return on plan assets	(5.9)	111.6	73.1	-	-	-
Employer contributions	5.0	4.1	4.5	12.1	10.8	11.4
Acquisitions	14.1	69.1	198.7	-	-	-
Currency exchange	(0.8)	(0.1)	1.4	-	-	-
Benefits paid from plan assets	(37.1)	(33.9)	(32.0)	(12.1)	(10.8)	(11.4)
Fair value of plan assets at December 31	$713.7	$738.4	$587.6	$ -	$ -	$ -
Funded Status						
Funded status at December 31	$40.1	$160.4	$102.9	$(115.9)	$ (114.9)	$ (96.9)
Unrecognized net gain	(7.9)	(105.4)	(46.8)	(15.0)	(18.3)	(13.0)
Unrecognized prior service cost	(2.0)	(5.1)	(5.6)	-	-	-
Unrecognized net asset	(4.9)	(5.2)	(6.2)	-	-	-
Net amount recognized	$25.3	$ 44.7	$44.3	$(130.9)	$ (133.2)	$ (109.9)
Amounts recognized in the Consolidated Balance Sheets						
Prepaid benefit cost(1)	$ 71.8	$ 77.4	$ 71.3	$ -	$ -	$ -
Accrued benefit cost(2)	(50.4)	(34.4)	(27.6)	(130.9)	(133.2)	(109.9)
Intangible asset(1)	3.9	1.7	0.6	-	-	-
Net amount recognized	$ 25.3	$ 44.7	$ 44.3	$(130.9)	$ (133.2)	$ (109.9)
Assumptions as of December 31						
Discount rate	7.00%	7.75%	7.75%	7.00%	7.50%	7.75%
Long-term rate of return on						

plan assets	10.00%	9.00%	9.00%	-	-	-
Long-term rate of compensation increase	5.00%	5.00%	5.00%	-	-	-
Health care cost trend rate(3)	-	-	-	8.00%	9.00%	10.00%

(1) Recorded in Other Non-Current Assets.

(2) Recorded in Other Non-Current Liabilities.

(3) The assumed health care cost trend rate decreases one percent every year through 2000 to 6% and remains constant beyond that point.

Net pension costs and other postretirement benefit costs include the following components:

	Pension Benefits			Other Retirement Benefits		
Year Ended December 31,	1998	1997	1996	1998	1997	1996
(In millions)						
Service cost-benefits earned during the year	$19.3	$16.0	$16 .3	$ 1.7	$ 1.6	$ 2.1
Interest cost on projected benefit obligation	45.3	38.7	36.2	8.6	8.0	7.7
Expected return on plan assets	(59.0)	(57.7)	(50.0)	-	-	-
Amortization of:						
Transition asset	(1.1)	(1.1)	(1.1)	(0.5)	(0.2)	(0.2)
Prior service cost recognized	(0.3)	(0.3)	(0.3)	-	-	-
Actuarial (gain)/loss	(1.8)	5.5	1.6	-	-	-
	$2.4	$ 1.1	$2.7	$9.8	$9.4	$9.6

The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for the pension plans with accumulated benefit obligations in excess of plan assets are as follows:

December 31,	1998	1997	1996
(In millions)			
Projected benefit obligation	$129.6	$68.4	$39.7
Accumulated benefit obligation	110.0	55.1	28.4
Fair value of plan assets	52.1	22.1	1.8

The health care cost trend rate significantly affects the reported postretirement benefit costs and benefit obligations. A one percentage point change in the assumed rate would have the following effects:

(In millions)	1% Increase	1% Decrease
Effect on total of service and interest cost components	$1.0	$(0.9)
Effect on postretirement benefit obligations	8.7	(8.1)

9) STOCKHOLDERS' EQUITY

The Company's Common Stock consists of 400.0 million authorized shares, with a par value of $1 per share. Of the total unissued common shares at December 31, 1998, total shares in reserve included 8.0 million shares for issuance under the Company's stock option plans.

Each share of Common Stock includes a stock purchase right (a "Right"). Each Right will entitle the holder, until the earlier of October 31, 2008 or the redemption of the Rights, to buy one share of Common Stock at an exercise price of $200 per share, subject to adjustment under certain circumstances. The Rights will be exercisable only if a person or group acquires 15% or more of voting power of the Company or announces a tender offer following which it would hold 15% or more of the Company's voting power.

In the event that any person or group becomes the beneficial owner of 15% or more of the Company's voting stock, the Rights (other than Rights held by the 15% stockholder) would become exercisable for that number of shares of the Company's Common Stock having a market value of two times the exercise price of the Right. Furthermore, if, following the acquisition by a person or group of 15% or more of the Company's voting stock, the Company was acquired in a merger or other business combination or 50% or more of its assets were sold, each Right (other than Rights held by the 15% stockholder) would become exercisable for that number of shares of Common Stock of the Company (or the surviving company in a business combination) having a market value of two times the exercise price of the Right.

The Company may redeem the Rights at $0.001 per Right prior to the occurrence of an event that causes the Rights to become exercisable for Common Stock.

10) STOCK OPTIONS

The Company's stock option plans are accounted for under APB Opinion No. 25. As a result, the Company grants fixed stock options under which no compensation cost is recognized. Had compensation cost for the plans been determined consistent with FASB Statement No. 123, the Company's net income and earnings per share would have been reduced to the following pro forma amounts:

Year Ended December 31,		1998	1997
(In millions, except per share data)			
Net income:	As reported	$396.2	$293.1
	Pro forma	389.9	290.0
Diluted EPS:	As reported	$2.38	$1.80
	Pro forma	2.35	1.78

Because the FASB Statement No. 123 method of accounting has not been applied to options granted prior to January 1, 1995, the resulting pro forma compensation cost may not be representative of that to be expected in future years.

The Company may grant up to 8.0 million shares under the 1993 Stock Option Plan, of which, the Company has granted 2.5 million shares and cancelled 0.3 million shares through December 31, 1998. Under this plan, the option exercise price equals the Common Stock's closing price on the date of grant, vests over a five-year period and expires after ten years.

The following summarizes the changes in number of shares of Common Stock under option:

1998	Shares	Weighted Average Exercise Price
Outstanding at beginning of year	1,921,359	$24
Granted	583,214	45
Exercised	(430,676)	17
Cancelled	(45,915)	25
Outstanding at end of year	2,027,982	31
Exercisable at end of year	864,151	21
Weighted average fair value of options granted during the year	$18	

The 2,027,982 options outstanding at December 31, 1998 have exercise prices between $12 and $49 and are summarized below:

	Options Outstanding		
Range of Exercise Prices	Number Outstanding at December 31, 1998	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life
$12-15	142,676	$14	2
16-25	662,787	21	5
26-35	347,800	29	7
36-45	714,019	41	9
46-49	160,700	48	9
$12-49	2,027,982	31	7

The 864,151 options exercisable at December 31, 1998 have exercise prices between $12 and $43 and are summarized below:

	Options Exercisable	
Range of Exercise Prices	Number Exercisable at December 31, 1998	Weighted Average Exercise Price
$12-15	142,676	$14
16-25	540,435	20
26-35	120,660	28
36-43	60,380	37
$12-43	864,151	21

1997	Shares	Weighted Average Exercise Price
Outstanding at beginning of year	1,959,034	$21
Granted	395,600	38
Exercised	(364,587)	18
Cancelled	(68,688)	22
Outstanding at end of year	1,921,359	24
Exercisable at end of year	886,445	19
Weighted average fair value of options granted during the year	$13	

1996	Shares	Weighted Average Exercise Price
Outstanding at beginning of year	1,945,730	$20
Granted	400,820	21
Exercised	(243,596)	17
Cancelled	(143,920)	21
Outstanding at end of year	1,959,034	21
Exercisable at end of year	999,118	18
Weighted average fair value of options granted during the year	$10	

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions used for grants in 1998, 1997 and 1996, respectively: risk-free interest rate of 4.1%, 6.3% and 6.4%; expected dividend yields of 1.6%, 1.8% and 1.8%; expected lives of 9.9, 9.9 and 9.9 years; and expected volatility of 34%, 23% and 20%.

11) INCOME TAXES

The provision for income taxes consists of the following:

Year Ended December 31, (In millions)	1998	1997	1996
Current:			
Federal	$ 197.8	$ 97.7	$ 98.6
State	23.8	17.6	15.9
Foreign	10.5	19.1	10.6
	232.1	134.4	125.1
Deferred	56.6	57.8	44.2
Total	$288.7	$192.2	$169.3

The non-U.S. component of income before income taxes was $30.5 million in 1998, $64.5 million in 1997 and $40.4 million in 1996.

The components of the net deferred tax asset are as follows:

December 31, (In millions)	1998	1997	1996
Deferred tax assets:			
Accruals, not currently deductible for tax purposes	$101.9	$117.3	$111.9
Postretirement liabilities	51.3	53.0	43.9
Inventory reserves	25.3	35.7	29.2
Self-insurance liability	16.3	15.4	16.5
Other	2.9	1.0	1.9
	197.7	222.4	203.4
Deferred tax liabilities:			
Accelerated depreciation	(64.4)	(60.3)	(46.9)
Prepaid pension asset	(27.1)	(31.1)	(30.5)
Unrealized gain on securities available for sale	-	(51.5)	(23.9)
Amortization of intangibles	(22.1)	(11.9)	(4.1)
Other	(14.5)	(23.1)	(19.3)
	(128.1)	(177.9)	(124.7)
Net deferred tax asset	$ 69.6	$ 44.5	$ 78.7

The net deferred tax asset is classified in the consolidated balance sheets as follows:

December 31, (In millions)	1998	1997	1996
Current net deferred income tax asset	$90.4	$134.7	$126.2
Non-current deferred income tax liability	(20.8)	(90.2)	(47.5)
	$69.6	$ 44.5	$ 78.7

A reconciliation of the U.S. statutory rate to the effective income tax rate is as follows:

Year Ended December 31,	1998	1997	1996
(In percent)			
Statutory rate	35.0%	35.0%	35.0%
Add (deduct) effect of:			
State income taxes, net of federal income tax effect	3.3	3.6	3.6
Nondeductible trade names and goodwill amortization	1.3	1.6	1.5
Tax basis differential on sales of businesses	3.2	-	-
Other	(0.6)	(0.6)	(0.6)
Effective rate	42.2%	39.6%	39.5%

No U.S. deferred taxes have been provided on the undistributed non-U.S. subsidiary earnings which are considered to be permanently invested. At December 31, 1998, the estimated amount of total unremitted non-U.S. subsidiary earnings is $72.9 million.

12) OTHER NONOPERATING (INCOME) EXPENSES

Total other nonoperating (income) expenses consist of the following:

Year Ended December 31,	1998	1997	1996
(In millions)			
Equity earnings*	$ (7.1)	$ (5.8)	$ (6.4)
Interest income	(12.1)	(5.3)	(3.7)
Dividend income	-	(4.0)	(11.0)
Gain on sale of marketable equity securities	(191.5)	(2.9)	-
Gain on sales of businesses	(35.6)	-	-
Minority interest in income of subsidiary trust	26.7	1.5	-
Currency translation loss	6.0	0.3	-
Other	2.5	1.5	1.6
	$(211.1)	$(14.7)	$(19.5)

* in American Tool Companies, Inc., in which the Company has a 49% interest.

13) OTHER OPERATING INFORMATION

Industry Segment Information

The Company reviewed the criteria for determining segments of an enterprise in accordance with SFAS No. 131 and concluded it has three reportable operating segments: Hardware & Home Furnishings, Office Products, and Housewares. This segmentation is appropriate because the Company organizes its product categories into these groups when making operating decisions and assessing performance. The Company Divisions included in each group also sell primarily to the same retail channel: Hardware & Home Furnishings (home centers and hardware stores), Office Products (office superstores and contract stationers), and Housewares (discount stores and warehouse clubs).

The principal product categories included in each of the Company's business segments are as follows:

Segment	Product Category
Hardware & Home Furnishings	Window Treatments, Hardware and Tools, Picture Frames, Home Storage
Office Products	Markers and Writing Instruments, Office Storage and Organization
Housewares	Aluminum Cookware and Bakeware, Glassware, Hair Accessories

Net Sales* Year Ended December 31, (In millions)	1998	1997	1996
Hardware & Home Furnishings	$1,758.1	$1,484.8	$1,299.3
Office Products	1,040.3	899.2	741.8
Housewares	921.6	952.2	931.7
Total	$3,720.0	$3,336.2	$2,972.8

* Sales to Wal-Mart Stores, Inc. and subsidiaries amounted to approximately 14% of consolidated net sales in 1998 and 15% in both 1997 and 1996. Sales to no other customer exceeded 10% of consolidated net sales.

Operating Income

Year Ended December 31,	1998	1997	1996
(In millions)			
Hardware & Home Furnishings	$290.2	$241.1	$185.3
Office Products	212.3	187.1	161.7
Housewares	101.0	165.5	157.8
Corporate	(69.4)	(46.6)	(37.4)
Total	$534.1	$547.1	$467.4

Identifiable Assets

December 31,	1998	1997	1996
(In millions)			
Hardware & Home Furnishings	$ 995.8	$850.8	$ 656.8
Office Products	643.0	520.7	355.4
Housewares	664.8	616.4	583.5
Corporate	2,024.3	2,023.8	1,462.7
Total	$4,327.9	$4,011.7	$3,058.4

Capital Expenditures

Year Ended December 31,	1998	1997	1996
(In millions)			
Hardware & Home Furnishings	$ 39.1	$30.3	$27.7
Office Products	24.9	26.4	20.3
Housewares	53.4	38.7	45.4
Corporate	30.3	7.8	2.8
Total	$147.7	$103.2	$96.2

Depreciation and Amortization Year Ended December 31,	1998	1997	1996
(In millions)			
Hardware & Home Furnishings	$ 31.2	$ 33.4	$ 27.9
Office Products	28.7	21.6	16.0
Housewares	39.6	35.4	35.7
Corporate	48.0	41.6	38.5
Total	$147.5	$132.0	$118.1

GEOGRAPHIC AREA INFORMATION

Net Sales

Year Ended December 31,	1998	1997	1996
(In millions)			
United States	$2,906.1	$2,796.6	$2,558.2
Canada	159.4	163.9	145.4
North America	3,065.5	2,960.5	2,703.6
Europe	463.0	247.2	162.2
Latin America+	177.9	109.3	89.0
All other	13.6	19.2	18.0
Total	$3,720.0	$3,336.2	$2,972.8

Operating Income

Year Ended December 31,	1998	1997	1996
(In millions)			
United States	$449.0	$460.8	$401.7
Canada	6.3	21.2	14.3
North America	455.3	482.0	416.0
Europe	41.0	33.0	25.7
Latin America+	38.3	30.8	23.9
All other	(0.5)	1.3	1.8
Total	$534.1	$547.1	$467.4

Identifiable Assets

December 31,	1998	1997	1996
(In millions)			
United States	$3,183.8	$3,536.3	$2,789.0
Canada	68.9	106.5	73.4
North America	3,252.7	3,642.8	2,862.4
Europe	796.2	264.7	133.6
Latin America+	263.8	99.3	59.9
All other	15.2	4.9	2.5
Total	$4,327.9	$4,011.7	$3,058.4

+ Includes Mexico, Venezuela, and Colombia, and in 1998, Brazil and Argentina.

Operating income is net sales less cost of products sold and S,G&A expenses, but is not affected either by nonoperating (income) expenses or by income taxes. Nonoperating (income) expenses consists principally of net interest expense, and in 1998, the net gain on the sale of Black & Decker common stock and the net gains on the sales of Stuart Hall and Newell Plastics. In calculating operating income for individual business segments, certain headquarters expenses of an operational nature are allocated to business segments and geographic areas primarily on a net sales basis. Trade names and goodwill amortization is considered a corporate expense and not allocated to business segments.

All intercompany transactions have been eliminated, and transfers of finished goods between geographic areas are not significant. Corporate assets primarily include trade names and goodwill, equity investments and deferred tax assets.

14) LITIGATION

The Company is subject to certain legal proceedings and claims, including the environmental matters described below, that have arisen in the ordinary conduct of its business.

As of December 31, 1998, the Company was involved in various matters concerning federal and state environmental laws and regulations, including matters in which the Company has been identified by the U.S. Environmental Protection Agency and certain state environmental agencies as a potentially responsible party ("PRPs") at contaminated sites under the Federal Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") and equivalent state laws.

In assessing its environmental response costs, the Company has considered several factors, including: the extent of the Company's volumetric contribution at each site relative to that of other PRPs; the kind of waste; the terms of existing cost sharing and other applicable agreements; the financial ability of other PRPs to share in the payment of requisite costs; the Company's prior experience with similar sites; environmental studies and cost estimates available to the Company; the effects of inflation on cost estimates; and the extent to which the Company's and other parties' status as PRPs is disputed.

Based on information available to it, the Company's estimate of environmental response costs associated with these matters as of December 31, 1998 ranged between $15.0 million and $19.5 million. As of December 31, 1998, the Company had a reserve equal to $18.0 million for such environmental response costs in the aggregate. No insurance recovery was taken into account in determining the Company's cost

estimates or reserve, nor do the Company's cost estimates or reserve reflect any discounting for present value purposes.

Because of the uncertainties associated with environmental investigations and response activities, the possibility that the Company could be identified as a PRP at sites identified in the future that require the incurrence of environmental response costs and the possibility of additional sites as a result of businesses acquired, actual costs to be incurred by the Company may vary from the Company's estimates.

Subject to difficulties in estimating future environmental response costs, the Company does not expect that any amount it may have to pay in connection with environmental matters in excess of amounts reserved will have a material adverse effect on its consolidated financial statements.

The Company is involved in several legal proceedings relating to the importation and distribution of vinyl mini-blinds made with plastic containing lead stabilizers. In 1996, the Consumer Product Safety Commission found that such stabilizers deteriorate over time from exposure to sunlight and heat, causing lead dust to form on mini-blind surfaces and presenting a health risk to children under six years of age.

In July 1996, the California Attorney General and the Alameda County District Attorney filed a civil suit against 12 named companies, including a subsidiary of the Company, alleging failure to warn consumers adequately about the presence of lead in accordance with California law and seeking injunctions, civil penalties and restitutionary relief.

In August 1996, 15 companies, including a subsidiary of the Company, were named as defendants in a national and California private class action in Sacramento County Superior Court. In October 1997, 16 additional companies were named as defendants in this case, in which the plaintiffs alleged that the Company's subsidiary used false and misleading advertising and employed unfair or fraudulent business practices in connection with the presence of lead in their blinds. These two cases were coordinated in 1996.

On June 22, 1998, the Court entered a Stipulated Consent Judgement resolving the Attorney General's case as to the Company's subsidiary and most of the defendants. On July 27, 1998, the coordination trial judge ruled that this Consent Judgment barred the California claims of the private class action plaintiffs, and on October 6, 1998, judgment was entered for the Company's subsidiary and 22 of the other defendants in the private class action. The private class action plaintiffs have filed an appeal for both the Consent Judgment and the Judgment entered in their action and applying for attorneys' fees for their efforts at the trial court level. The

Company's contribution to the judgment amount was not material to the Company's consolidated financial statements.

In February 1997, a subsidiary of the Company was named as the defendant in another case involving the importation and distribution of vinyl mini-blinds containing lead, which was filed as an Illinois and national private class action in the Cook County Chancery Division. In this case, the plaintiffs alleged violations of the Illinois Consumer Fraud and Deceptive Trade Practices Act and the Illinois version of the Uniform Deceptive Trade Practices Act, breach of implied warranty, fraud, negligent misrepresentation, negligence, unjust enrichment, and reception and retention of money unlawfully received. The plaintiffs seek injunctive relief, unspecified damages, suit costs and punitive damages.

In December 1998, 13 companies, including a subsidiary of the Company, were named as defendants in a third case involving the importation and distribution of vinyl mini-blinds containing lead. The case, filed as a Massachusetts class action in the Superior Court, alleges misrepresentation, breaches of express and implied warranties, negligence, loss of consortium and violation of Massachusetts consumer protection laws. The plaintiffs seek injunctive relief, unspecified damages, compensatory damages for personal injury and court costs.

Although management of the Company cannot predict the ultimate outcome of these matters with certainty, it believes that their ultimate resolution will not have a material effect on the Company's consolidated financial statements.

Item 9. Changes In and Disagreements with Accountants on Accounting and Financial Disclosure

None.

PART III

Item 10. Directors and Executive Officers of the Registrant

Information regarding executive officers of the Company is included as a Supplementary Item at the end of Part I of this Form 10-K.

Information regarding directors of the Company is included in the Company's Definitive Proxy Statement for the Annual Meeting of Stockholders to be held May 26, 1999 ("Proxy Statement") under the caption "Proposal 1 - Election of Directors," which information is hereby incorporated by reference herein.

Information regarding compliance with Section 16(a) of the Exchange Act is included in the Proxy Statement under the caption "Section 16(a) Beneficial Ownership Compliance Reporting," which information is hereby incorporated by reference herein.

Item 11. Executive Compensation

Information regarding executive compensation is included in the Proxy Statement under the caption "Proposal 1 - Election of Directors - Information Regarding Board of Directors and Committees," the captions "Executive Compensation - Summary; - Option Grants in 1998; - Option Exercises in 1998; - Pension and Retirement Plans; - Employment Security Agreements," and the caption "Executive Compensation Committee Interlocks and Insider Participation," which information is hereby incorporated by reference herein.

Item 12. Security Ownership of Certain Beneficial Owners and Management

Information regarding security ownership is included in the Proxy Statement under the caption "Certain Beneficial Owners," which information is hereby incorporated by reference herein.

Item 13. Certain Relationships and Related Transactions

Not applicable.

PART IV

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K

(a)(1) The following is a list of the financial statements of Newell Co. included in this report on Form 10-K which are filed herewith pursuant to Item 8:

Report of Independent Public Accountants

Consolidated Statements of Income - Years Ended December 31, 1998 1997 and 1996

Consolidated Balance Sheets - December 31, 1998, 1997 and 1996

Consolidated Statements of Cash Flows - Years Ended December 31, 1998, 1997 and 1996

Consolidated Statements of Stockholders' Equity - Years Ended December 31, 1998, 1997 and 1996

Notes to Consolidated Financial Statements - December 31, 1998, 1997 and 1996

(2) The following consolidated financial statement schedule of the Company included in this report on Form 10-K is filed herewith pursuant to Item 14(d) and appears immediately preceding the Exhibit Index:

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS

(3) The exhibits filed herewith are listed on the Exhibit Index filed as part of this report on Form 10-K. Each management contract or compensatory plan or arrangement of the Company listed on the Exhibit Index is separately identified by an asterisk.

(b) Reports on Form 8-K:

Registrant filed a Current Report on Form 8-K dated October 21, 1998 reporting the agreement between Registrant and Rubbermaid Incorporated pursuant to which a subsidiary of Newell will merge with Rubbermaid in a transaction to be accounted for using the pooling of interests method of accounting.

Registrant filed a Current Report on Form 8-K dated November 17, 1998 to file its Selected Financial Data, Management's Discussion and Analysis of Financial Condition and Results of Operations, and Consolidated Financial Statements, each restated to reflect the merger of a subsidiary of Registrant into Calphalon Corporation, which was accounted for using the pooling of interests method of accounting.

Registrant filed Current Reports on Form 8-K and 8-K/A, each dated November 20, 1998, to disclose Financial Statements of Rubbermaid Incorporated and related pro forma financial information.

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS

Description	Balance at Beginning of Period	Additions: Charged to Costs and Expenses	Additions: Charged to Other Accounts (A)	Deductions (B)	Balance at End of Period
Allowance for doubtful accounts for the years ended:					
December 31, 1998	$21,193	$4,683	$14,028	($15,434)	$24,470
December 31, 1997*	14,990	5,888	8,321	(8,006)	21,193
December 31, 1996*	12,314	6,534	2,200	(6,058)	14,990

Note A - Represents recovery of accounts previously written off, along with net reserves of acquired and divested businesses.

Note B - Represents accounts charged off.

	Balance at Beginning of Period	Provision	Write-offs	Other (C)	Balance at End of Period
Inventory reserves for the years ended:					
December 31, 1998	$93,894	$27,894	($29,293)	$10,551	$103,046
December 31, 1997*	82,554	22,469	(30,332)	19,203	93,894
December 31, 1996*	68,675	22,251	(30,721)	22,349	82,554

Note C - Represents net reserves of acquired and divested businesses, including provisions for product line rationalization.

* Restated for the May 1998 merger with Calphalon Corporation, which was accounted for as a pooling of interests.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NEWELL CO.
Registrant
By /s/ William T. Alldredge
William T. Alldredge
Vice President-Finance
Date March 19, 1999

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on March 19, 1999 by the following persons on behalf of the Registrant and in the capacities indicated.

Signature	Title
/s/ William P. Sovey William P. Sovey	Chairman of the Board and Director
/s/ John J. McDonough John J. McDonough	Vice Chairman of the Board, Chief Executive Officer and Director (Principal Executive Officer)
/s/ Thomas A. Ferguson, Jr. Thomas A. Ferguson, Jr.	President and Chief Operating Officer and Director
/s/ Donald L. Krause Donald L. Krause	Senior Vice President-Corporate Controller (Principal Accounting Officer)
/s/ William T. Alldredge William T. Alldredge	Vice President-Finance (Principal Financial Officer)
Alton F. Doody	Director
Gary H. Driggs	Director

/s/ Daniel C. Ferguson — Director

Daniel C. Ferguson

/s/ Robert L. Katz — Director

Robert L. Katz

Director

Elizabeth Cuthbert Millett

Director

Cynthia A. Montgomery

/s/ Allan P. Newell — Director

Allan P. Newell

Director

Henry B. Pearsall

(C) EXHIBIT INDEX

		Exhibit Number	Description of Exhibit
Item 3.	Articles of Incorporation and By-Laws	3.1	Restated Certificate of Incorporation of Newell Co., as amended as of September 7, 1995 (incorporated by reference to Exhibit 3.1 to the Company's Annual Report on Form 10-K for the year ended December 31, 1995 (the "1995 Form 10-K")).
		3.2	By-Laws of Newell Co., as amended through November 9, 1995 (incorporated by reference to Exhibit 4.2 to Pre-effective Amendment No. 1 to the Company's Registration Statement on Form S-3, File No. 33-64225, filed January 23, 1996).
Item 4.	Instruments defining the rights of security holders, including indentures	4.1	Restated Certificate of Incorporation of Newell Co., as amended as of September 7, 1995, is included in Item 3.1.
		4.2	By-Laws of Newell Co., as amended through November 9, 1995, are included in Item 3.2.
		4.3	Rights Agreement dated as of August 6, 1998 between the Company and First Chicago Trust Company of New York, as Rights Agent (incorporated by reference to Exhibit 4 to the Company's Current Report on Form 8-K dated August 6, 1998).
		4.4	Indenture dated as of April 15, 1992, between the Company and The Chase Manhattan Bank (National Association), as Trustee (incorporated by reference to Exhibit 4.4 to the Company's Report on Form 8 amending the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 1992).
		4.5	Indenture dated as of November 1, 1995 between the Company and The Chase Manhattan Bank (National Association), as Trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated May 3, 1996).
		4.6	Specimen Common Stock (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-4, File No. 333-71747, filed February 4, 1999).
			Pursuant to item 601(b)(4)(iii)(A) of Regulation S-K, the Company is not filing certain documents. The Company agrees to furnish a copy of each such document upon the request of the Commission.
Item 10.	Material Contracts	*10.1	The Newell Long-Term Savings and Investment Plan, as amended and restated effective May 1, 1993 and amended through December 29, 1995.

*10.2	The Company's Amended and Restated 1984 Stock Option Plan, as amended through February 14, 1990 (incorporated by reference to Exhibit 10.2 to the Company's Annual Report on Form 10-K for the year ended December 31, 1990 File No. 1-09608 (the "1990 Form 10-K")).
*10.3	Newell Co. Deferred Compensation Plan, as amended, effective August 1, 1980, as amended and restated effective January 1, 1997.
*10.4	Newell Operating Company's ROA Cash Bonus Plan, effective January 1, 1977, as amended (incorporated by reference to Exhibit 10.8 to the Company's Registration Statement on Form S-14, Reg. No. 002-71121, filed March 4, 1981).
*10.5	Newell Operating Company's ROI Cash Bonus Plan, effective January 1, 1986.
*10.6	Newell Operating Company's Pension Plan for Salaried and Clerical Employees, as amended and restated, effective January 1, 1996, as amended through June 15, 1998.
*10.7	Newell Operating Company's Pension Plan for Factory and Distribution Hourly-Paid Employees, as amended and restated effective January 1, 1989 and amended through September 30, 1997.
*10.8	Newell Operating Company's Restated Supplemental Retirement Plan for Key Executives, effective January 1, 1982, as amended effective May 13, 1998.
*10.9	Form of Employment Security Agreement with seven executive officers (incorporated by reference to Exhibit 10.10 to the 1990 Form 10-K).
10.10	Credit Agreement dated as of June 12, 1995 and amended and restated as of August 5, 1997 among the Company, certain of its affiliates, The Chase Manhattan Bank (National Association), as Agent, and the banks whose names appear on the signature pages thereto (incorporated by reference to Exhibit 10.17 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1997).
10.11	Shareholder's Agreement and Irrevocable Proxy dated as of June 21, 1985. among American Tool Companies, Inc., Newell Co., Allen D. Petersen, Kenneth L. Cheloha, Robert W. Brady, William L. Kiburz, Flemming Andresen and Ane C. Patterson (incorporated by reference to Exhibit 10.15 to the Company's Annual Report on From 10-K for the year ended December 31, 1997 (the "1997 Form 10-K")).
*10.12	Newell Co. 1993 Stock Option Plan, effective February 9, 1993, as amended in November 1997 (incorporated by reference to Exhibit 10.16 to the 1997 Form 10-K).
10.13	Amended and Restated Trust Agreement, dated as of December 12, 1997 among Newell Co., as Depositor, The Chase Manhattan Bank, as Property Trustee,

			Chase Manhattan Delaware, as Delaware Trustee, and the Administrative Trustees (incorporated by reference to Exhibit 4.2 to the Company's Registration Statement on Form S-3, File No. 333-47261, filed March 3, 1998 (the "1998 Form S-3")).
		10.14	Junior Convertible Subordinated Indenture for the 5.25% Convertible Subordinated Debentures, dated as of December 12, 1997, among Newell Co. and The Chase Manhattan Bank, as Indenture Trustee (Incorporated by reference to Exhibit 4.3 to the 1998 Form S-3).
		10.15	Registration Rights Agreement, dated December 12, 1997, between Newell Financial Trust I and Goldman, Sachs & Co., Morgan Stanley & Co. Incorporated, Robert W. Baird & Co. Incorporated, Bear, Sterns & Co. Inc. and Merrill Lynch & Co., as Initial Purchasers (incorporated by reference to Exhibit 10.1 to the 1998 Form S-3).
		10.16	Terms Agreement dated as of July 9, 1998 among Newell Co., Morgan Stanley Dean Witter, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Chase Securities Inc. and First Chicago Capital Markets, Inc. (incorporated by reference to Exhibit 1.1 to the Company's Current Report on Form 8-K dated July 9, 1998).
		10.17	Agreement and Plan of Merger dated as of October 20, 1998 among Newell Co., Rooster Company and Rubbermaid Incorporated (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K dated October 20, 1998).
Item 11.	Exhibit	11	Statement of Computation of Earnings per Share of Common Stock.
Item 12.	Exhibit	12	Statement of Computation of Earnings to Fixed Charges.
Item 21.	Subsidiaries of the Registrant	21.1	Significant Subsidiaries of the Company.
Item 23.	Consent of experts and counsel	23.1	Consent of Arthur Andersen LLP.
Item 27.	Financial Data Schedule	27	Financial Data Schedule.
Item 99.	Additional Exhibits	99	Safe Harbor Statement.

* Management contract or compensatory plan or arrangement of the Company.

EXHIBIT 10.1

THE NEWELL

LONG-TERM SAVINGS AND INVESTMENT PLAN

(As Amended and Restated Effective
May 1, 1993)

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THE NEWELL

LONG-TERM SAVINGS AND INVESTMENT PLAN

(As Amended and Restated Effective May 1, 1993)

This Plan was adopted by the Company effective January 1, 1989, and has been amended and restated effective as of May 1, 1993, except where otherwise provided. The Plan and the related Trust Agreement will continue to permit Eligible Employees to defer the Federal income tax on certain portions of their wages as provided by the Internal Revenue Code and to furnish them with additional security in the form of retirement and disability benefits. Except as may be required by ERISA or the Internal Revenue Code, the rights of any person whose status as an Employee has terminated shall be determined pursuant to the Plan as in effect on the date such employment status terminated, unless a subsequently adopted provision of the Plan is made specifically applicable to such person.

ARTICLE I

DEFINITIONS

Whenever used herein the following words and phrases shall have the meanings stated below unless a different meaning is plainly required by the context:

1.1 "Account" means all or any one of the Savings Account, Matching Contributions Account, Transfer Account, Rogers Account, Sanford Account Anchor Account, Intercraft Account and/or Levolor Account maintained by the Trustee for an individual Participant, Surviving Spouse or Beneficiary.

1.2 "Actual Deferral Percentage" for a specified group of Eligible Employees for a given Plan Year means the average of the ratios, calculated separately for each Eligible Employee in such group, of: (a) the aggregate of (i) the Earnings Deferral Contribution, if any, contributed by the Company on behalf of each such Eligible Employee for the Plan Year, and (ii) the Supplemental Contribution, if any, made by an Employer on behalf of each such Eligible Employee for such Plan Year; to(b) the Eligible Employee's Earnings for such Plan Year.

1.3 "Adjusted Balance" means the balance in a Participant's Savings Account, Matching Contributions Account, Transfer Account, Rogers Account, Sanford Account, Anchor Account, Intercraft Account or Levolor Account.

1.4 "Affiliated Employer" means (a) any corporation that is a member of a controlled group of corporations (as defined in Section 414(b) of the Code) that includes the Company; (b) any trade or business (whether or not incorporated) that is under common control

(as defined in Section 414(c) of the Code) with the Company; (c) any member of an affiliated service group (as defined in Section 414(m) of the Code) that includes the Company; and (d) any member of the same group of associated organizations (as defined in Section 414(o) of the Code). For purposes of applying the limitations of Section 415 of the Code referred to in Section 1.29, "Affiliated Employer" is determined in accordance with Sections 414(b) and (c) of the Code, as modified by Section 415(h) therein.

1.5 "Anchor Account" means the record of money and assets held by the Trustee for an individual Participant, Surviving Spouse or Beneficiary pursuant to the provisions of the Plan, derived from the account balances of the accounts held under the Anchor Plan as of December 31, 1988. The Anchor Account shall consist of sub-accounts corresponding to the various sub-accounts maintained under the Anchor Plan.

1.6 "Anchor Plan" means the Anchor Hocking Corporation Savings and Investment Plan, as Amended and Restated Effective January 1, 1987.

1.7 "Annual Additions" means the total of: (a) Employer contributions allocated to a Participant's accounts under this Plan and any Related Plan during any Limitation Year; (b) the amount of employee contributions made by the Participant under this Plan and any Related Plan; and (c) forfeitures allocated to a Participant's accounts under any Related Plan.

1.8 "Beneficiary" means the person, persons, or entity designated or determined pursuant to the provisions of Section 7.2(b) of the Plan.

1.9 "Board" means the Board of Directors of the Company.

1.10 "Break in Service" means the period of an Employee's absence from active employment commencing upon his Severance Date from the Company, and all Affiliated Employers, and ending (if at all) when he again performs an Hour of Service within the meaning of Section 1.23(a).

1.11 "Code" means the Internal Revenue Code of 1986, as amended from time to time. Reference to a section of the Code shall include that section and any comparable section or sections of any future legislation that amends, supplements or supersedes said section.

1.12 "Committee" means the Retirement Committee described in Section 9.1.

1.13 "Company" means Newell Operating Company, a Delaware corporation, or any successor corporation resulting from a merger or consolidation of the Company or transfer of substantially all of the assets of the Company, if such successor or transferee shall adopt and continue the Plan by appropriate corporate action pursuant to Section 12.3 of the Plan.

1.14 (a) "Compensation" means a Participant's total earnings from the Company and all Affiliated Employers paid during a Plan Year for services rendered, including the regular rate portion of overtime pay, commissions and any lump sum payments received in lieu of an increase in such Participant's base pay (as agreed upon by the Company and any collective bargaining unit during the term of the applicable collective bargaining agreement), but excluding any bonuses, the premium rate portion of overtime pay, moving expenses, automobile expenses, stock options, contributions or benefits under this Plan or any other pension, profit sharing, insurance, hospitalization or other plan or policy maintained by any Employer for the benefit of such Participant, and all other extraordinary and unusual payments. Notwithstanding the preceding provisions of this Section 1.14, for purposes of Section 1.29 and Section 6.7 "Compensation" shall have the meaning set forth in Section 1.29, and for purposes of Article XIV "Compensation" shall have the meaning set forth in Section 14.2(a). In no event shall the Compensation taken into account for an Employee under the Plan for any Plan Year exceed (a) $200,000 (or such greater amount provided pursuant to Section 401(a)(17) of the Code), in Plan Years commencing on and after January 1, 1989 and prior to January 1, 1994.

(b) In addition to other applicable limitations set forth in the Plan and notwithstanding any other provision of the Plan to the contrary, for Plan Years beginning on or after January 1, 1994, the annual Compensation of each Participant taken into account under the Plan shall not exceed the OBRA '93 annual Compensation limit. The OBRA '93 annual Compensation limit is $150,000, as adjusted by the Commissioner for increases in the cost of living in accordance with Section 401(a)(17)(B) of the Code. The cost-of-living adjustment in effect for a calendar year applies to any period, not exceeding 12 months, over which Compensation is determined (determination period) beginning in such calendar year. If a determination period consists of fewer than 12 months, the OBRA '93 annual Compensation limit will be multiplied by a fraction, the numerator of which is the number of months in the determination period, and the denominator of which is 12.

(c) For Plan Years beginning on or after January 1, 1994, any reference in this Plan to the limitation under Section 401(a)(17) of the Code shall mean the OBRA '93 annual Compensation limit set forth in this provision.

(d) If Compensation for any prior determination period is taken into account in determining a Participant's benefits accruing in the current Plan Year, the Compensation for that prior determination period is subject to the OBRA '93 annual Compensation limit in effect for that prior determination period. For this purpose, for determination periods beginning before the first day of the first Plan Year beginning on or after January 1, 1994, the OBRA '93 annual Compensation limit is $150,000.

1.15 (a) "Earnings" means a Participant's Compensation paid during a Plan Year, increased by (a) the amount subject to any Long-Term Savings Agreement entered into by the Participant for such Plan

Year, and (b) the amount contributed on behalf of the Participant to the Newell Flexible Benefits Account Plan. In no event shall the Earnings taken into account for an Employee under the Plan for any Plan Year exceed (a) $200,000 (or such greater amount provided pursuant to Section 401(a)(17) of the Code), in Plan Years commencing on and after January 1, 1989 and prior to January 1, 1994.

(b) In addition to other applicable limitations set forth in the Plan and notwithstanding any other provision of the Plan to the contrary, for Plan Years beginning on or after January 1, 1994, the annual Earnings of each Participant taken into account under the Plan shall not exceed the OBRA '93 annual Compensation limit. The OBRA '93 annual Compensation limit is $150,000, as adjusted by the Commissioner for increases in the cost of living in accordance with Section 401(a)(17)(B) of the Code. The cost-of-living adjustment in effect for a calendar year applies to any period, not exceeding 12 months, over which Earnings are determined (determination period) beginning in such calendar year. If a determination period consists of fewer than 12 months, the OBRA '93 annual Compensation limit will be multiplied by a fraction, the numerator of which is the number of months in the determination period, and the denominator of which is 12.

(c) For Plan Years beginning on or after January 1, 1994, any reference in this Plan to the limitation under Section 401(a)(17) of the Code shall mean the OBRA '93 annual Compensation limit set forth in this provision.

(d) If Earnings for any prior determination period are taken into account in determining a Participant's benefits accruing in the current Plan Year, the Earnings for that prior determination period are subject to the OBRA '93 annual Compensation limit in effect for that prior determination period. For this purpose, for determination periods beginning before the first day of the first Plan Year beginning on or after January 1, 1994, the OBRA '93 annual Compensation limit is $150,000.

1.16 "Earnings Deferral Contributions" means amounts contributed by the Company at the direction of a Participant pursuant to the provisions of Section 3.1 of the Plan.

1.17 "Eligibility Year of Service" means the twelve (12) month period, commencing with the date an Employee first performs an Hour of Service for the Company or an Affiliated Employer, during which he completes at least 1,000 Hours of Service, or if he does not complete 1,000 Hours of Service during such twelve (12) month period, then the first Plan Year ending thereafter in which he does complete 1,000 Hours of Service.

1.18 "Eligible Employee" means any Employee who has met the eligibility requirements contained in Section 2.1 or 2.2, excluding any person who is a leased employee pursuant to Section 1.19.

1.19 "Employee" means an individual employed by an Employer on or after January 1, 1989 and who is in a covered classification of Employees, as listed on Appendix A hereto; provided that "Employee"

does not include any individual covered under the terms and conditions of a collective bargaining agreement to which any Employer is a party, unless such agreement provides for the participation of such individual. A person who is not an employee of the Company and who performs services for an Employer pursuant to an agreement between an Employer and a leasing organization shall be considered a "leased employee" after such person has performed such services on a substantially full-time basis for at least twelve months and if the services are of a type historically performed by employees in the business field of such Employer. A person who is considered a leased employee of an Employer shall not be considered an Employee for purposes of the Plan other than for purposes of determining the Hours of Service and Vesting Service a person earns that would be considered if and when he becomes an Employee other than by reason of being a leased employee. Notwithstanding the preceding sentence, a leased employee's Hours of Service and Vesting Service shall not be considered if the requirements of Section 414(n)(5) of the Code are satisfied with respect to such person.

1.20 "Employer" means the Company, any Affiliated Employer listed in Appendix A hereto or any Affiliated Employer that may hereafter adopt the Plan, pursuant to Section 13.15.

1.21 "ERISA" means Public Law No. 93-406, the Employee Retirement Income Security Act of 1974, as from time to time amended.

1.22 "Highly Compensated Eligible Employee" means an Eligible Employee who during the Plan Year or preceding Plan Year:

(a) was at any time a five percent owner of the Company or an Affiliated Employer;

(b) received compensation from the Company or an Affiliated Employer in excess of $75,000 (or such greater amount provided by the Secretary of the Treasury pursuant to Section 414(q) of the Code);

(c) received compensation from the Company or an Affiliated Employer in excess of $50,000 (or such greater amount provided by the Secretary of the Treasury pursuant to Section 414(q) of the Code) and was in the top-paid group of employees for such Plan Year (as defined in Section 414(q)(4) of the Code); or

(d) was at any time an officer of the Company or an Affiliated Employer (as defined in Section 414(q)(5) of the Code) and received compensation from the Company or an Affiliated Employer greater than 50% of the amount in effect under Section 415(b)(1)(A) of the Code for such Plan Year.

The provisions of Section 414(q) of the Code shall apply in determining whether an Eligible Employee is a Highly Compensated Eligible Employee. The Company may elect, for any Plan Year, to identify Highly Compensated Eligible Employees based upon only the current Plan Year to the extent permitted by Section 414(q) of the Code and regulations issued thereunder.

1.23 "Hour of Service" means:

(a) each hour for which an Employee is paid or entitled to payment for the performance of duties for the Company or an Affiliated Employer on and after the date the Employee is first hired by the Company or an Affiliated Employer; and

(b) each hour for which an Employee is directly or indirectly paid by the Company or an Affiliated Employer or is entitled to payment from the Company or an Affiliated Employer during which no duties are performed by reason of vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty or leave of absence (but not in excess of 501 hours in any continuous period during which no duties are performed), on and after the date the Employee is first hired by the Company or an Affiliated Employer.

(c) Each Hour of Service for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by the Company or an Affiliated Employer shall be included under either subsection (a) or (b) above as may be appropriate.

Hours of Service shall be credited:

(i) in the case of Hours referred to in subsection (a) above, for the computation period in which the duties are performed;

(ii) in the case of Hours referred to in subsection (b) above and (d) below, for the computation period or periods in which the period during which no duties are performed occurs; and

(iii) in the case of Hours of Service for which back pay is awarded or agreed to by the Company or an Affiliated Employer in subsection (c) above, for the computation period or periods to which the award or agreement pertains rather than to the computation period in which the award, agreement or payment is made.

(d) Solely for purposes of determining an Employee's eligibility to participate in the Plan under Sections 2.1 and 2.2, Hours of Service shall include an approved leave of absence granted by an Employer to the Employee on or after August 5, 1993 pursuant to the Family and Medical Leave Act, if the Employee returns to work for an Employer at the end of such leave of absence.

In determining Hours of Service with respect to an Employee who is employed on other than an hourly-rated basis, such Employee shall be credited with ten (10) Hours of Service per day for each day, or forty-five (45) Hours of Service per week for each week, the Employee would, if hourly-rated, be credited with service pursuant to subsection (a) above. If an Employee is paid for reasons other than the performance of duties pursuant to subsection (b) or (d) above: (i) in the case of a payment made or due which is calculated on the basis of units of time, an Employee shall be credited with the number of regularly scheduled working hours included in the units of time on

the basis of which the payment is calculated; and (ii) an Employee without a regular work schedule shall be credited with eight (8) Hours of Service per day (to a maximum of forty (40) Hours of Service per week) for each day that the Employee is so paid. Hours of Service shall be calculated in accordance with Department of Labor Regulations Section 2530.200b-2 or any future legislation or regulation that amends, supplements or supersedes said section.

1.24 "Investment Fund" or "Fund" means any of the funds maintained by the Trustee and referred to in Article XI.

1.25 "Limitation Year" means the twelve (12) consecutive month period to be used in determining the Plan's compliance with Code Section 415 and the regulations thereunder.

1.26 "Long-Term Savings Agreement" means a written agreement entered into by a Participant pursuant to the provisions of Section 3.1 of the Plan.

1.27 "Matching Contributions" mean contributions made by an Employer pursuant to the provisions of Section 4.1 of the Plan.

1.28 "Matching Contributions Account" means the record of money and assets held by the Trustee for an individual Participant, Surviving Spouse or Beneficiary pursuant to the provisions of the Plan, derived from Matching Contributions.

1.29 "Maximum Permissible Amount" means the lesser of: (a) 25% of a Participant's Compensation; or (b) thirty thousand dollars ($30,000)(or, if greater, one-quarter (1/4) of the dollar limitation in effect pursuant to Section 415(b)(1)(A) of the Code). For purposes of this Section 1.29 and Section 6.7 Compensation shall mean wages, salaries, fees for professional services and other amounts received for personal services actually rendered in the course of employment with the Company or an Affiliated Employer that is currently includable in gross income (including, but not limited to commissions paid salesmen, compensation for services on the basis of a percentage of profits, tips and bonuses); shall include all compensation actually paid or made available to a Participant for an entire Limitation Year (other than amounts subject to the Long-Term Savings Agreement of such Participant); and shall not include any other items or amounts paid to or for the benefit of a Participant.

1.30 "Newell Common Stock" means the common stock of Newell Co., a Delaware Corporation.

1.31 "Normal Retirement Date" means the date a Participant attains age sixty-five (65).

1.32 "Participant" means an Eligible Employee who becomes a Participant under the provisions of Section 2.3 of the Plan. However, an Employee who has made a Rollover Contribution pursuant to Section 5.1 of the Plan shall be deemed a Participant for purposes of the Plan to the extent that the provisions of the Plan apply to the Transfer Account of such Employee.

1.33 "Plan" means the NEWELL LONG-TERM SAVINGS AND INVESTMENT PLAN, as Amended and Restated Effective May 1, 1993.

1.34 "Plan Year" means the eight-month period from January 1, 1989 through August 31, 1989; the twelve month period from September 1, 1989 through August 31, 1990; the four-month period from September 1, 1990 through December 31, 1990; and, thereafter, the twelve-month period from January 1 through December 31 of each calendar year.

1.35 "Related Plan" means any other defined contribution plan (as defined in Section 415 of the Code) maintained by the Company or by an Affiliated Employer.

1.36 "Rogers Account" means the record of money and assets held by the Trustee for an individual Participant, Surviving Spouse or Beneficiary pursuant to the provisions of the Plan, derived from account balances of the accounts held under the Rogers Plan as of December 31, 1991. The Rogers Account shall consist of sub-accounts corresponding to the various sub-accounts maintained under the Rogers Plan.

1.37 "Rogers Plan" means the W.T. Rogers Company Profit Sharing and Savings Master Plan, the Defined Contribution Master Plan Adoption Agreement Profit Sharing Plan Formula with Code Section 401(k) Arrangement, and Amendments No. 1 and No. 2 thereto.

1.38 "Rollover Contribution" means an amount received by the Trustee pursuant to the provisions of Section 5.1 of the Plan. In no event shall Rollover Contribution include amounts directly transferred to the Plan from the Anchor Plan, the Rogers Plan or the Sanford Plan.

1.39 "Sanford Account" means the record of money and assets by the Trustee for an individual Participant, Surviving Spouse or Beneficiary pursuant to the provisions of the Plan, derived from account balances of the accounts held under the Sanford Plan as of December 31, 1992. The Sanford Account shall consist of sub-accounts corresponding to the various sub-accounts maintained under the Sanford Plan.

1.40 "Sanford Plan" means the Sanford Corporation Incentive Savings Plan, as amended and restated effective December 1, 1987, including the amendment thereto dated August 1990 and the Second Amendment thereto dated November 21, 1991.

1.41 "Savings Account" means the record of money and assets held by the Trustee for an individual Participant, Surviving Spouse or Beneficiary pursuant to the provisions of the Plan, derived from Earnings Deferral Contributions and Supplemental Employer Contributions.

1.42 "Severance Date" means the earlier of:

(a) the date the employment of an employee terminates by reason of quitting, retirement, death or discharge; or

(b) the first anniversary of the first date of an absence from the performance of duties as an Employee (with or without pay) for any other reason (such as vacation, holidays, sickness, disability, leave of absence or layoff).

If any Employee who is absent from work because of (i) the Employee's pregnancy, (ii) the birth of the Employee's child, (iii) the placement of a child with the Employee in connection with the Employee's adoption of the child, or (iv) caring for such child immediately following such birth or placement, shall be absent for such reason beyond the first anniversary of the first date of absence, his Severance Date shall be the second anniversary of the first day of such absence, provided that the Employee furnishes to the Committee such timely information that the Committee may reasonably require to establish (A) that the absence from work is for one of the reasons specified in clauses (i) through (iv), and (B) the number of days for which there was such an absence. Notwithstanding anything to the contrary contained herein, in no event shall an Employee who is absent from work because of one of the reasons set forth in clauses (i) through (iv) above receive Vesting Service for the period between the first and second anniversary of the first day of such absence.

1.43 "Supplemental Employer Contribution" means a contribution made by an Employer pursuant to the provisions of Section 3.4 of the Plan.

1.44 "Surviving Spouse" means the person to whom a Participant is married throughout the twelve (12) month period ending on the date of his death.

1.45 "Transfer Account" means the record of money and assets held by the Trustee for an individual Participant, Surviving Spouse or Beneficiary pursuant to the provisions of the Plan, derived from a Rollover Contribution described in Section 5.1. In no event shall Transfer Accounts include amounts held in the Anchor Account, the Rogers Account, the Sanford Account, the Intercraft Account or the Levolor Account.

1.46 "Trust" or "Trust Fund" means all money, securities and other property held under the Trust Agreement for the purposes of the Plan.

1.47 "Trust Agreement" means the agreement between the Company and the Trustee governing the administration of the Trust, as it may be amended from time to time.

1.48 "Trustee" means the corporation or individuals appointed by the Board to administer the Trust.

1.49 "Valuation Date" means the date of any valuation of the Trust Fund and underlying Accounts performed by the recordkeeper on behalf of the Trustee for the Plan, provided that such valuation be performed at least annually.

1.50 "Vesting Service" means the aggregate of:

(a) all service of an Employee with the Company or an Affiliated Employer, counted from the date the Employee is first hired by the Company or an Affiliated Employer, to his last Severance Date;

(b) for an Employee who was a participant in the Anchor Plan, all service, if any, of an Employee with Anchor Hocking Corporation, or any entity that would satisfy the definition of Affiliated Employer if Anchor Hocking Corporation were the Company, counted from the date on which such Employee first commenced employment and ending on December 31, 1988;

(c) for an Employee who was a participant in the Rogers Plan, all service, if any, of an Employee with W.T. Rogers Company, or any entity that would satisfy the definition of Affiliated Employer if W.T. Rogers Company were the Company, counted from the date on which such Employee first commenced employment and ending on December 31, 1991; and

(d) for an Employee who was a participant in the Sanford Plan, all service, if any, of an Employee with Sanford Corporation, or any entity that would satisfy the definition of Affiliated Employer if Sanford Corporation were the Company, counted from the date on which such Employee first commenced employment and ending on December 31, 1992; subject, HOWEVER, to the following special rules:

(i) Breaks in Service will be excluded in determining Vesting Service, except that a Break in Service incurred when an Employee quits, retires, or is discharged will not be excluded if the Employee returns to the performance of duties as an Employee with the Company or an Affiliated Employer prior to the first anniversary of his absence from the performance of duties; provided that if such Break in Service commenced while the Employee was absent from the performance of duties for one of the reasons described in paragraph (b) of the definition of "Severance Date," the Break in Service will not be excluded only if it is incurred, and the Employee returns to the performance of duties as an Employee with the Company or an Affiliated Employer, prior to the first anniversary of his absence from the performance of duties.

(ii) If a Participant's employment under the Anchor Plan terminated prior to January 1, 1989 and recommences with the Company or an Affiliated Employer on or after January 1, 1989, the consequences of his absence from employment shall be determined under the rules regarding Break in Service contained in the Plan and not under the terms of the Anchor Plan.

(iii) If a Participant's employment under the Rogers Plan terminated prior to January 1, 1992 and recommences with the Company or an Affiliated Employer on or after January 1, 1992, the consequences of his absence from employment shall be determined under the rules regarding Break in Service contained in the Plan and not under the terms of the Rogers Plan.

(iv) If a Participant's employment under the Sanford Plan terminated prior to January 1, 1993 and recommences with the Company or an Affiliated Employer on or after January 1, 1993, the consequences of his absence from employment shall be determined under the rules regarding Break in Service contained in the Plan and not under the terms of the Sanford Plan.

(v) If a Participant's employment under an Intercraft Plan terminated prior to January 1, 1994 and recommences with the Company or an Affiliated Employer on or after January 1, 1994, the consequences of his absence from employment shall be determined under the rules regarding Break in Service contained in the Plan and not under the terms of the Intercraft Plan.

(vi) If a Participant's employment under the Levolor Plan terminated prior to October 1, 1994 and recommences with the Company or an Affiliated Employer on or after October 1, 1994, the consequences of his absence from employment shall be determined under the rules regarding Break in Service contained in the Plan and not under the terms of the Levolor Plan.

(vii) Notwithstanding anything to the contrary contained in the Plan, Vesting Service shall include, to the extent required by law, a period of time during which an Employee is absent from the Company and all Affiliated Employers to serve in the armed forces of the United States, for as long as his reemployment rights are guaranteed by law, if he returns or offers to return to work for the Company or an Affiliated Employer prior to the expiration of such reemployment rights.

(viii) Notwithstanding anything to the contrary in the Plan, Vesting Service shall include any period of time during which an Employee is on an approved leave of absence granted by an Employer to the Employee on or after August 5, 1993 pursuant to the Family and Medical Leave Act, if the Employee returns to work for an Employer at the end of such leave of absence.

(e) for an Employee who was a participant in an Intercraft Plan, all service, if any, of an Employee with Intercraft Corporation, or any entity that would satisfy the definition of Affiliated Employer if Intercraft Corporation were the Company, counted from the date on which the Employee first commenced employment and ending on December 31, 1993.

(f) for an Employee who was a participant in the Levolor Plan, all service, if any, of an Employee with Levolor Corporation, or any entity that would satisfy the definition of Affiliated Employer if Levolor Corporation were the Company, counted from the date on which the Employee first commenced employment and ending on September 30, 1994.

1.51 "Wage Payment Date" means a date on which an Employee receives Compensation from an Employer.

1.52 "Wage Payment Period" means the period of time ending on a Wage Payment Date for which a Participant is paid Compensation.

1.53 "Intercraft Account" means the record of money and assets held by the Trustee for an individual Participant, Surviving Spouse or Beneficiary pursuant to the provisions of the Plan, derived from account balances of the accounts held under the Intercraft Profit Sharing Plan and the Intercraft Retirement Program as of December 31, 1993. The Intercraft Account shall consist of sub-accounts corresponding to the various sub-accounts maintained under the Intercraft Profit Sharing Plan and the Intercraft Retirement Program.

1.54 "Intercraft Plan" means the Intercraft Company Employees' Profit Sharing and Variable Investment Plan, as Amended and Restated Effective January 1, 1989, including amendments thereto (the "Intercraft Profit Sharing Plan"), and/or the Intercraft Industries Retirement Program, as Amended and Restated Effective September 1, 1990, including amendments thereto (the "Intercraft Retirement Program").

1.55 "Levolor Account" means the record of money and assets held by the Trustee for an individual Participant, Surviving Spouse or Beneficiary pursuant to the provisions of the Plan, derived from account balances of the accounts held under the Levolor Plan as of September 30, 1994. The Levolor Account shall consist of sub-accounts corresponding to the various sub-accounts maintained under the Levolor Plan.

1.56 "Levolor Plan" means the Levolor Profit Sharing and 401(k) Plan, as Amended and Restated Effective September 1, 1990, including amendments thereto.

ARTICLE II

PARTICIPATION

2.1 ELIGIBILITY REQUIREMENTS. (a) Any Employee who was an Eligible Employee under the terms of the Plan in effect on April 30, 1993 shall remain an Eligible Employee.

(b) Every other Employee shall become an Eligible Employee as of the first day of his first Wage Payment Period of the month following his completion of an Eligibility Year of Service.

(c) Notwithstanding (b) above, effective as of April 1, 1993, each Employee who is regularly and permanently scheduled to complete 30 or more hours of work per week for an Employer shall become an Eligible Employee for purposes of electing Earnings Deferral Contributions pursuant to Section 3.1 of the Plan as of the first day of his first Wage Payment Period of the month following his date of hire.

(d) Notwithstanding the above, (i) each Employee who was employed by Intercraft Corporation on December 31, 1993 shall become an Eligible Employee on January 1, 1994; and (ii) each Employee who was employed at the Levolor division of the Company on September 30, 1994 shall become an Eligible Employee on October 1, 1994.

2.2 REEMPLOYMENT OF AN ELIGIBLE EMPLOYEE. If an Eligible Employee shall incur a Break in Service and shall thereafter be reemployed by an Employer, he shall again become an Eligible Employee as of his first Wage Payment Period of the month following the date of his resumption of employment.

2.3 ELECTION TO PARTICIPATE. (a) An Eligible Employee may become a Participant by executing and filing with the Committee a Long-Term Savings Agreement, an investment election form and such other forms as may be required by the Committee, which will be provided by the Committee.

(b) Each Eligible Employee shall become a Participant for his first Wage Payment Period of any month designated by him if (i) such Period begins on or after the date on which he becomes an Eligible Employee, and (ii) such Eligible Employee executes and files with the Committee a Long-Term Savings Agreement, an investment election form in accordance with Section 11.3 of the Plan and any other forms required by the Committee within a reasonable time, as prescribed by the Committee, prior to the beginning of such Period. No application to participate will be effective until all required documents have been completed by the Eligible Employee and delivered to the Committee.

ARTICLE III

SALARY DEFERRAL CONTRIBUTIONS

3.1 EARNINGS DEFERRAL CONTRIBUTIONS. (a) Each Participant shall elect, by entering into a Long-Term Savings Agreement with his Employer, to reduce his Earnings from his Employer by a percentage between one percent (1%) and fifteen percent (15%) (in increments of one percent (1%), as elected by the Participant). Reductions to a Participant's Earnings pursuant to his Long-Term Savings Agreement shall be effected through payroll deductions, commencing with the Wage Payment Date corresponding to the Wage Payment Period with respect to which he becomes a Participant pursuant to Section 2.3(b), in accordance with procedures established by the Committee. Long-Term Savings Agreements shall be subject to the special rules set forth in this Article III.

(b) Amounts subject to Long-Term Savings Agreements effective for a given Plan Year shall be reduced proportionately to the extent that the aggregate of Earnings Deferral Contributions under this Article III and Matching Contributions under Article IV exceed the maximum deduction allowable for such Plan Year under Section 404 of the Code. All amounts so reduced, adjusted for earnings, gains and

losses allocable thereto, shall be returned to the Employers and immediately thereafter paid by the Employers directly to the applicable Participants.

(c) Notwithstanding any provision of the Plan to the contrary, the elective deferrals (as defined in Section 402(g)(3) of the Code) of any Participant for any taxable year of the Participant shall not exceed the amount set forth in Section 402(g) of the Code, as adjusted by the Secretary of the Treasury pursuant to Section 402(g)(5) and 415(d) of the Code. Any amount contributed to the Plan on behalf of a Participant during any Plan Year, pursuant to the Participant's Long-Term Savings Agreement, in excess of the limitation set forth in this paragraph, adjusted for earnings, gains and losses allocable thereto, shall be returned to such Participant within the time period set forth in Section 402(g)(2) of the Code.

(d) Each Employer shall contribute to the Trust for each Wage Payment Period an Earnings Deferral Contribution in an amount equal to the amounts designated by Participants pursuant to Long-Term Savings Agreements and deducted from Earnings during such Wage Payment Period and not reduced pursuant to paragraphs (b) or (c) of this Section 3.1.

3.2 ADMINISTRATIVE RULES GOVERNING LONG-TERM SAVINGS AGREEMENTS. (a) A Participant may change the percentage by which his Earnings have been reduced pursuant to a Long-Term Savings Agreement, within the percentage limits set forth in Section 3.1(a) of the Plan, effective as of his first Wage Payment Period designated by him if such Participant executes and delivers an amendment to such Long-Term Savings Agreement designating such change, and any other forms required by the Committee, within a reasonable time, as prescribed by the Committee, prior to the beginning of such Period.

(b) Earnings Deferral Contributions shall be held unin-vested by the Employers and shall be remitted to the Trustee as of the earliest date on which such Contributions can reasonably be segregated from the Employers' general assets, but no later than ninety (90) days after each Wage Payment Date. In any event, each Employer shall pay to the Trustee its Earnings Deferral Contribution with respect to a particular Plan Year within the period of time prescribed by law for filing the Employer's Federal income tax return for such Plan Year, including extensions duly granted.

3.3 SUSPENSION OF LONG-TERM SAVINGS AGREEMENTS. (a) A Participant may voluntarily suspend a Long-Term Savings Agreement for an indefinite period of time; provided, however, that no period of suspension shall be shorter in duration than one month. Such suspension shall be effective as of the beginning of the Participant's Wage Payment Period designated by him if a notice of suspension, on such forms as shall be required by the Committee, is received by the Committee within a reasonable time, as prescribed by the Committee, prior to the beginning of such Period. If such notice is not received by the Committee within such reasonable time prior to the beginning of such Period, such suspension shall be effective as of the beginning of the Participant's next succeeding Wage Payment Period. A Participant

will not be permitted to make up amounts subject to a Long-Term Savings Agreement for any period of suspension. A Participant who makes an election to suspend a Long-Term Savings Agreement pursuant to this Section 3.3 may reinstate such Agreement effective as of his first Wage Payment Period of any month following the period of suspension if such Participant again executes and files with the Committee a Long-Term Savings Agreement, and any other forms required by the Committee, within a reasonable time, as prescribed by the Committee, prior to the beginning of such Wage Payment Period.

(b) The Committee, at its election, may amend, suspend or revoke a Long-Term Savings Agreement with a Participant at any time if the Committee determines that such amendment or revocation is necessary to ensure that the Annual Additions to the Accounts of a Participant do not exceed the Maximum Permissible Amount for such Participant for that Year or to ensure that the requirements of Section 3.5 are met for such Year.

3.4 SUPPLEMENTAL EMPLOYER CONTRIBUTIONS. Each Employer shall contribute to the Trust with respect to any Plan Year a Supplemental Employer Contribution in such amount as the Board, in its discretion, may determine by resolution adopted within thirty (30) days after the end of such Plan Year. A Supplemental Employer Contribution may be made to the Trust only if, and to the extent that, such Contribution is necessary to satisfy one of the tests contained in Section 3.5(b) of the Plan. The Supplemental Employer Contribution for any Plan Year shall be allocated to Participants' Savings Accounts pursuant to the provisions of Section 6.6 of the Plan. Upon allocation to the Savings Accounts of Participants, the Supplemental Employer Contribution shall be considered for all purposes of the Plan as Earnings Deferral Contributions and be subject to all of the provisions of the Plan regarding Earnings Deferral Contributions; provided that no Matching Contribution shall be made with respect to a Supplemental Employer Contribution. Within thirty (30) days after the end of each Plan Year, the Company shall pay to the Trustee the Supplemental Employer Contribution collected from each Employer with respect to such Plan Year.

3.5 LIMITATIONS ON EARNINGS DEFERRAL CONTRIBUTIONS. (a) Notwithstanding anything to the contrary contained elsewhere in the Plan or contained in any Long-Term Savings Agreement, all Long-Term Savings Agreements entered into with respect to any Plan Year shall be valid only if one of the tests set forth in paragraph (b) next below is satisfied for such Plan Year. In determining whether such tests are satisfied, all Earnings Deferral Contributions and Supplemental Employer Contributions made with respect to such Plan Year shall be considered.

(b) For each Plan Year the Actual Deferral Percentage for Highly Compensated Eligible Employees shall bear to the Actual Deferral Percentage for all other Eligible Employees a relationship that satisfies either of the following tests:

(i) The Actual Deferral Percentage for Highly Compensated Eligible Employees is not more than the Actual Deferral Percentage of all other Eligible Employees multiplied by 1.25; or

(ii) The Actual Deferral Percentage for Highly Compensated Eligible Employees is not more than the Actual Deferral Percentage for all other Eligible Employees multiplied by two and the excess of the Actual Deferral Percentage for the group of Highly Compensated Eligible Employees over that of all other Eligible Employees is not more than two percentage points.

(c) If at the end of any Plan Year neither of the tests set forth in paragraph (b) next above is satisfied for such Year, then:

(i) Long-Term Savings Agreements entered into for such Year by Highly Compensated Eligible Employees shall be valid only to the extent permitted by one of the tests set forth in paragraph (b) next above, and Earnings Deferral Contributions made for such Year on behalf of Highly Compensated Eligible Employees shall be reduced to the extent necessary to comply with one of the tests set forth in paragraph (b) next above. All Earnings Deferral Contributions so reduced, adjusted for earnings, gains and losses allocable thereto, shall be allocated and distributed in the manner provided in Section 3.6.

(ii) Reductions pursuant to (i) next above shall be effected with respect to Highly Compensated Eligible Employees pursuant to the following procedure: The Actual Deferral Percentage of the Highly Compensated Eligible Employee with the highest Actual Deferral Percentage shall be reduced to the extent necessary to cause such Highly Compensated Eligible Employee's Actual Deferral Percentage to equal the Actual Deferral Percentage of the Highly Compensated Eligible Employee with the next highest Actual Deferral Percentage. This process shall be repeated until the Plan satisfies one of the tests set forth in paragraph (b) for such Plan Year.

(iii) Long-Term Savings Agreements entered into by all Participants who are not Highly Compensated Eligible Employees shall be valid and Earnings Deferral Contributions made on behalf of such Participants shall not be changed.

The calculations, reductions and allocations required by this Section 3.5(c) and Section 3.6 shall be made by the Committee with respect to a Plan Year at any time prior to the close of the following Plan Year.

(d) If at any time during a Plan Year the Committee, in its sole discretion, determines that neither of the tests set forth in paragraph (b) of this Section 3.5 may be met for such Plan Year, then:

(i) The Committee shall have the unilateral right during the Plan Year to require the prospective reduction, for the balance of such Plan Year or any part thereof, of the percentage of the Earnings of Highly Compensated Eligible Employees that may be subject to Long-Term Savings Agreements. Such reductions

shall be made to the extent necessary, in the discretion of the Committee, to assure that one of the tests set forth in paragraph (b) of this Section 3.5 shall be met for the Plan Year and shall be based upon estimates made from data available to the Committee at any time during the Plan Year.

(ii) Reductions pursuant to subsection (i) next above shall be effected with respect to Highly Compensated Eligible Employees pursuant to the following procedure: the Actual Deferral Percentage of the Highly Compensated Eligible Employee with the highest Actual Deferral Percentage shall be reduced to the extent necessary to cause such Highly Compensated Eligible Employee's Actual Deferral Percentage to equal the Actual Deferral Percentage of the Highly Compensated Eligible Employee with the next highest Actual Deferral Percentage. This process shall be repeated to the extent necessary to assure that one of the tests set forth in paragraph (b) shall not be exceeded for such Plan Year.

3.6 RETURN OF CERTAIN EARNINGS DEFERRAL CONTRIBUTIONS. (a) If an Earnings Deferral Contribution made on behalf of a Participant who is a Highly Compensated Eligible Employee is reduced for a Plan Year pursuant to Section 3.5(c), the amount so reduced, adjusted for earnings, gains and losses allocable thereto for the Plan Year , pursuant to Section 401(k)(8) of the Code, shall be returned to the Participant's Employer and as soon as practicable thereafter paid by the Employer directly to such Participant.

(b) Notwithstanding anything to the contrary contained elsewhere in the Plan, if a Participant's Earnings Deferral Contributions are returned pursuant to paragraph (a) above, any Matching Contributions attributable thereto shall be forfeited and shall be used as described in Section 6.10.

ARTICLE IV

MATCHING CONTRIBUTIONS

4.1 MATCHING CONTRIBUTIONS. (a) As of each Wage Payment Date, each Employer shall contribute to the Trust for each Participant who satisfies Section 2.1(a) or (b) of the Plan and who is an Employee of such Employer a Matching Contribution in an amount equal to fifty percent (50%) of the amount deducted from his Earnings through a payroll deduction as of such Wage Payment Date pursuant to a Long-Term Savings Agreement; provided, however, that in no event shall the Matching Contribution for a Participant on any Wage Payment Date exceed three percent (3%) of such Participant's Earnings for the Wage Payment Period corresponding to such Wage Payment Date.

(b) Matching Contributions shall be held uninvested by the Employers and shall be remitted to the Trustee on the earliest date on which such Contributions can reasonably be segregated from the

Employers' general assets, but no later than ninety (90) days following each Wage Payment Date.

(c) Matching Contributions made with respect to a Plan Year or any part thereof pursuant to this Section 4.1 shall in no event be made later than the time prescribed by law for filing the income tax return of the Company for the fiscal year of the Company that corresponds to such Plan Year, including extensions duly granted.

4.2 SPECIAL RULES APPLICABLE TO MATCHING CONTRIBUTIONS . (a) Notwithstanding any provision of the Plan to the contrary, for each Plan Year the Contribution Percentage for Highly Compensated Eligible Employees shall not exceed the greater of:

(i) The Contribution Percentage for all other Eligible Employees multiplied by 1.25; or

(ii) The lesser of the Contribution Percentage for all other Eligible Employees multiplied by two or the Contribution Percentage for all other Eligible Employees plus two percentage points.

(b) For purposes of this Section, the term "Contribution Percentage" for a specified group of Eligible Employees for a given Plan Year means the average of the ratios, calculated separately for each Eligible Employee in such group, of (i) the aggregate of (A) the Matching Contributions, if any, made on behalf of each such Eligible Employee for such Plan Year, and (B) in the discretion of the Committee and pursuant to applicable Treasury regulations, the Earnings Deferral Contribution, if any, contributed on behalf of each such Eligible Employee for such Plan Year, and (ii) the Eligible Employee's Earnings for such Plan Year.

(c) If, at the end of any Plan Year, neither of the tests set forth in paragraph (a) above is satisfied for such Plan Year, then the Matching Contributions made for such Plan Year on behalf of Highly Compensated Eligible Employees shall be reduced in the manner set forth in the next sentence to the extent necessary to comply with one of the tests set forth in paragraph (a). Reductions pursuant to the preceding sentence shall be effected with respect to Highly Compensated Eligible Employees pursuant to the following procedure: the Contribution Percentage of the Highly Compensated Eligible Employee with the Highest Contribution Percentage shall be reduced to the extent necessary to cause such Highly Compensated Eligible Employee's Contribution Percentage to equal the Contribution Percentage of the Highly Compensated Eligible Employee with the next highest Contribution Percentage. This process shall be repeated until the Plan satisfies one of the tests set forth in paragraph (a) for such Plan Year.

(d) Matching Contributions made on behalf of Participants who are not Highly Compensated Eligible Employees shall be valid and shall not be changed.

(e) Matching Contributions that are reduced pursuant to the preceding provisions of this Section for a Plan Year, adjusted for earnings, gains and losses allocable thereto for such Plan Year , pursuant to Section 401(m) of the Code, shall be returned to the Employers and as soon as practicable thereafter paid by the Employers directly to the applicable Participant.

(f) The calculations, reductions and payments required by this Article shall be made by the Committee with respect to a Plan Year at any time prior to the close of the following Plan Year.

(g) If a "Multiple Use of the Alternative Limitation," as defined below, occurs in a Plan Year, then, notwithstanding any other provisions of Section 3.5 or of this Section 4.2, the test in paragraph (a)(ii) of this Section shall not be used to satisfy the requirements of this Section for Matching Contributions in the same Plan Year that the test contained in Section 3.5(b)(ii) is used to satisfy the requirements of Section 3.5 with respect to Earnings Deferral Contributions. If the preceding sentence shall be applicable for a Plan Year, then the Committee shall determine whether to use the test in paragraph (a)(ii) of this Section to satisfy the requirements of this Section 4.2, or to use the test in paragraph (b)(ii) of Section 3.5 to satisfy the requirements of Section 3.5, for such Plan Year.

A Multiple Use of the Alternative Limitation shall occur in a Plan Year if both of the following conditions are satisfied in the Plan Year:

(i) At least one Highly Compensated Eligible Employee employed by the Company or an Affiliated Employer is eligible to participate both in a cash or deferred arrangement subject to Section 401(k) of the Code and in a plan subject to Section 401(m) of the Code; and

(ii) The sum of the Actual Deferral Percentage of the entire group of Highly Compensated Eligible Employees under such arrangement subject to Section 401(k) and the Contribution Percentage of the entire group of Highly Compensated Eligible Employees under such plan subject to Section 401(m) for such Plan Year exceeds the greater of:

(A) the sum of:

(I) 125% of the greater of (a) the Actual Deferral Percentage of the Group of Eligible Employees who are not Highly Compensated Eligible Employees for such Plan Year, or (b) the Contribution Percentage of the group of Eligible Employees who are not Highly Compensated Eligible Employees for such Plan Year, and

(II) Two plus the lesser of (A)(I)(a) or (I)(b) above. In no event, however, shall this

amount exceed 200% of the lesser of (A)(I)(a) or (A)(I)(b) above; or

(B) the sum of:

(I) 125% of the lesser of (a) the Actual Deferral Percentage of the group of Eligible Employees who are not Highly Compensated Eligible Employees for such Plan Year, or (b) the Contribution Percentage of the group of Eligible Employees who are not Highly Compensated Eligible Employees for such Plan Year, and

(II) Two plus the greater of (B)(I)(a) or (B)(I)(b) above. In no event, however, shall this amount exceed 200% of the greater of (B)(I)(a) or (B)(I)(b) above.

(iii) The Actual Deferral Percentage of the entire group of Highly Compensated Eligible Employees exceeds the amount described in Section 3.5(b)(i); and

(iv) The Contribution Percentage of the entire group of Highly Compensated Eligible Employees exceeds the amount described in Section 4.2(a)(i).

ARTICLE V

ROLLOVERS AND TRANSFERS FROM OTHER PLANS

5.1 ROLLOVERS AND TRANSFERS FROM OTHER PLANS. (a) An Employee who has received a distribution of his interest in a qualified plan of the Company or an Affiliated Employer or a former employer under circumstances meeting the requirements of Section 402(c)(4) of the Code relating to distributions from qualified plans may elect to deposit all or any portion (as designated by such Employee in writing to the Committee) of the amount of such distribution as a Rollover Contribution to this Plan. A Rollover Contribution may be made only within sixty (60) days following the date such Employee receives the distribution from the plan of the Company or an Affiliated Employer or his former employer (or within such additional period as may be provided under Section 408 of the Code if the Employee shall have made a timely deposit of the distribution in an individual retirement account).

(b) The Trustee may also receive a Rollover Contribution directly from the trustee under a plan of the Company or an Affiliated Employer or former employer of all or any portion (as designated by such Employee in writing to the Committee) of the amount that would otherwise be distributable to the Employee from such plan; provided that no such Rollover Contribution shall be received directly from a plan if such plan is a defined benefit plan or a defined contribution plan that provides for a life annuity form of payment except to the

extent that such Rollover Contribution is made pursuant to Section 401(a)(31) of the Code. In the event that a Participant has a loan outstanding under a plan of the Company or an Affiliated Employer at the time the Trustee receives a direct transfer of such Participant's accounts from the trustee under the plan, such loan, at the discretion of the Committee, shall be transferred to and assumed by the Trustee and shall thereafter be treated as a loan made pursuant to Article VIII of this Plan.

(c) The Committee shall establish rules and procedures to implement this Section 5.1, including, without limitation, such procedures as may be appropriate to permit the Committee to verify the tax qualified status of the plan of the former employer or the Company or an Affiliated Employer and compliance with any applicable provisions of the Code relating to Rollover Contributions. Rollover Contributions may be received in cash or in Newell Common Stock. No Rollover Contribution shall be accepted until the Employee has completed an investment election form in accordance with Section 11.3 of the Plan and delivered such form to the Committee. The amount contributed or transferred to the Trustee pursuant to this Section shall be placed in the Employee's Transfer Account for the benefit of the Employee. Each Transfer Account shall share in the earnings, gains and losses of the Trust Fund as set forth in Section 6.9 of the Plan and shall be distributed at the same times and in the manner set forth in Article VII below.

ARTICLE VI

ALLOCATIONS TO PARTICIPANTS' ACCOUNTS

6.1 SEPARATE ACCOUNTS. The Committee shall create and maintain a separate Savings Account, Matching Contributions Account, Transfer Account, Rogers Account, Sanford Account, Anchor Account, Intercraft Account and Levolor Account for each Participant, as shall be needed. Participants' Accounts (and, where applicable, their sub-accounts) are primarily for accounting purposes and do not require a segregation of the Trust Fund. The Committee may delegate the responsibility for the maintenance of the Accounts to the Trustee or any agent or agents.

6.2 SUSPENSE ACCOUNT. The Committee shall maintain a Suspense Account, if necessary, pursuant to the provisions of Section 6.7. The investment of the balance in the Suspense Account shall be within the sole discretion of the Committee.

6.3 ALLOCATION OF MATCHING CONTRIBUTIONS. As of each Wage Payment Date , there shall be allocated to the Matching Contribution Account of each Participant the Matching Contribution made on behalf of such Participant pursuant to Section 4.1(a) for the Wage Payment Period corresponding to such Date. Subject to Section 3.5(c), an allocation pursuant to this Section shall be made only to the Matching Contributions Account of a Participant whose Earnings were reduced through payroll deductions pursuant to a Long-Term Savings Agreement during the Wage Payment Period corresponding to such Date .

6.4 ALLOCATION OF EARNINGS DEFERRAL CONTRIBUTIONS. As of each Wage Payment Date , there shall be allocated to the Savings Account of each Participant an Earnings Deferral Contribution equal to (a) the amount by which the Participant's Earnings were reduced by payroll deductions during the Wage Payment Period corresponding to such Wage Payment Date , pursuant to such Participant's Long-Term Savings Agreement, reduced by (b) any applicable amounts pursuant to the provisions of Sections 3.1(b), 3.1(c) and 3.5(c).

6.5 ALLOCATION OF ROLLOVER CONTRIBUTIONS. Rollover Contributions made by or for an Employee shall be allocated to his Transfer Account as soon as practicable following receipt of such Contributions by the Trustee and the deposit of such funds into the Trust Fund.

6.6 ALLOCATION OF SUPPLEMENTAL EMPLOYER CONTRIBUTIONS. In the event that a Supplemental Employer Contribution is made with respect to any Plan Year, such Contribution shall be allocated to the Savings Accounts of all Participants who are not Highly Compensated Eligible Employees. Such allocation shall be in the proportion to the ratio that each such Participant's Earnings bears to the total Earnings of all such Participants. Supplemental Employer Contributions made for a Plan Year shall be allocated to Participants' Savings Accounts as of the last day of such Plan Year.

6.7 MAXIMUM ALLOCATION.

(a) Except as provided in paragraph (b) below, the allocations to the Account of any Participant in any Limitation Year shall be limited so that the Participant's Annual Additions for such Year do not exceed the Maximum Permissible Amount.

(b) If the foregoing limitation on allocations would be exceeded in any Limitation Year for any Participant as a result of (i) the allocation of forfeitures; (ii) reasonable error in estimating a Participant's Compensation (as defined in Section 1.29); (iii) reasonable error in determining the amount of elective deferrals (within the meaning of Section 402(g)(3) of the Code) that may be made with respect to a Participant; or (iv) under such other limited facts and circumstances which the Commissioner of the Internal Revenue Service, pursuant to Treasury Regulation 1.415-6(b)(6), finds justify the availability of this subsection 6.7(b), the Participant's Earnings Deferral Contributions shall be distributed to him to the extent that such distribution would reduce the amount in excess of the limits of subsection 6.7(a). Any amounts in excess of the limits of subsection 6.7(a) remaining after such distribution shall be placed, unallocated to any Participant, in a Suspense Account. If a Suspense Account is in existence at any time during a particular Limitation Year, other than the Limitation Year described in the preceding sentence, all amounts in the Suspense Account must be allocated to Participants' Accounts (subject to the limits of this Section 6.7) before any contributions that constitute Annual Additions may be made to the Plan for that Limitation Year. The excess amount allocated pursuant to this subsection 6.7(b) shall be used to reduce Matching Contributions for the next Limitation Year (and succeeding Limitation Years, as

necessary) for that Participant. However, if that Participant is not covered by the Plan as of the end of the applicable Limitation Year, then the excess amount must be held unallocated in the Suspense Account for the Limitation Year and reallocated in the next Limitation Year to all of the remaining Participants in the Plan. The Suspense Account will not share in the valuation of Participants' Accounts and the allocation of earnings set forth in Section 6.9 of the Plan, and the change in fair market value and allocation of earnings attributable to the Suspense Account shall be allocated to the remaining Accounts hereunder as set forth in Section 6.9.

(c) Any reduction in the contributions and allocations made under this Plan for a Participant's Account required pursuant to this Section 6.7 and Section 415 of the Code shall be effected, to the extent necessary, in the following manner: (i) first, the Matching Contribution that would have been made for the applicable Plan Year with respect to such Participant shall be reduced; (ii) next, the Supplemental Employer Contribution that would have been made for the applicable Plan Year with respect to such Participant shall be reduced; and (iii) last, the Earnings Deferral Contribution that would have been made for the applicable Plan Year with respect to such Participant, adjusted for earnings, gains and losses allocable thereto, shall be reduced. Any reductions in Matching Contributions and Supplemental Employer Contributions pursuant to clauses (i) and (ii), adjusted for gains, earnings and losses allocable thereto, shall be treated pursuant to subsection (b) of this Section. The amount of any reductions in Earnings Deferral Contributions pursuant to clause (iii), adjusted for gains, earnings and losses allocable thereto, shall be paid by the Trustee directly to the affected Participant pursuant to subsection (b) of this Section.

(d) Upon termination of the Plan, any amounts in a Suspense Account at the time of such termination shall revert to the Company.

(e) In the event that any Participant under this Plan is also a Participant in a defined benefit plan (as defined in Section 415(k) of the Code) maintained by the Company, the sum of the defined benefit plan fraction and the defined contribution plan fraction (as such terms are defined in Section 415(e) of the Code) for any Limitation Year with respect to such Participant shall not exceed one (1). If such sum exceeds one (1), the contributions and allocations to the Participant's Account under this Plan shall be reduced (prior to the reduction of any benefit of such Participant under such defined benefit plan), as necessary, to obtain compliance with Section 415(e) of the Code. Any such reduction under this Plan shall be made only to the extent necessary so that the sum of such fractions shall equal one (1). For purposes of this Section 6.7, a plan is deemed to be maintained by the Company if the plan is maintained by any Affiliated Employer.

(f) If a Participant is entitled to receive an allocation under this Plan and any Related Plan and, in the absence of the limitations contained in this Section 6.7, the Company would contribute or allocate to the Account of that Participant an amount for a Limitation Year that would cause the Annual Additions to the

Account of the Participant to exceed the Maximum Permissible Amount for such Year, then the contributions and allocations made with respect to the Participant under this Plan shall not be reduced until the contributions or allocations under the Related Plan have been reduced to the extent necessary so that the allocation of such Annual Additions does not exceed the Maximum Permissible Amount.

(g) The provisions of this Section shall be interpreted by the Committee, in the administration of the Plan, to reduce allocations (as required by this Section) only to the minimum extent necessary to reflect the requirements of Section 415 of the Code, as amended and in force from time to time, and Treasury Regulations promulgated pursuant to said Section, which are hereby incorporated by reference herein.

6.8 VESTING. (a) Each Participant shall at all times be fully vested in the Adjusted Balance of his Savings Account and Transfer Account under the Plan.

(b) Each Participant who was a participant in the Anchor Plan, and who was a "Member" within the meaning of that plan, on July 2, 1987, shall at all times be fully vested in the Adjusted Balance of his Anchor Account and Matching Contributions Account under the Plan.

(c) Each Participant who was a participant in the Anchor Plan, but who was not a "Member" within the meaning of that plan, on July 2, 1987, shall have a vested interest in the Adjusted Balance of his Anchor Account in accordance with the provisions of Article VII of the Anchor Plan as in effect on December 31, 1988.

(d) Each Participant who was a participant in the Rogers Plan shall at all times be fully vested in the Adjusted Balance of his Rogers Account.

(e) Each Participant who was a participant in the Sanford Plan shall at all times be fully vested in the Adjusted Balance of his Sanford Account.

(f) Each Participant who was employed in the Packaging Division of Anchor Hocking Corporation at its locations in Lancaster, Ohio, Weirton, West Virginia, Connellsville, Pennsylvania and Glassboro, New Jersey on December 31, 1992 shall be fully vested in the Adjusted Balance of his Matching Contributions Account as of December 31, 1992.

(g) Each Participant who was employed by the Counselor Borg Scale Company on October 27, 1993 shall be fully vested in the Adjusted Balance of his Matching Contributions Account as of October 27, 1993.

(h) Each Participant who was a participant in an Intercraft Plan shall at all times be fully vested in the Adjusted Balance of his Intercraft Account.

(i) Each Participant who was a participant in the Levolor Plan shall at all times be fully vested in the Adjusted Balance of his Levolor Account.

(j) Each Participant not described in paragraph (b), (f), or (g) shall have a vested interest in the Adjusted Balance of his Matching Contributions Account in accordance with the following Schedule:

Years of Vesting Service	Vested Percentage	Forfeitable Percentage
Fewer than 5 years	0%	100%
5 years or more	100%	0%

(k) On reaching his Normal Retirement Date while an Employee, a Participant shall be one hundred percent (100%) vested in the Adjusted Balance of his Anchor Account and Matching Contributions Account.

(l) In the event a Participant dies or becomes permanently disabled (as defined in Section 7.3) while an Employee, he shall be one hundred percent (100%) vested in the Adjusted Balance of his Anchor Account and Matching Contributions Account as of the date of his death or termination due to disability.

6.9 ALLOCATIONS AND ADJUSTMENTS TO ACCOUNT. As of the close of business of each business day , the Trustee shall determine, on an accrual basis of accounting, the Adjusted Balance of the Account of each Participant in the following manner:

(a) The Trustee shall determine the earnings and the amount of any realized or unrealized appreciation or depreciation in the fair market value of each of the Investment Funds, determined as of the close of business of the preceding business day. Such determination shall reflect a reduction for any investment manager fees charged with respect to a particular Investment Fund. In determining such value the Trustee shall use such generally accepted methods and bases as the Trustee, in its discretion, shall deem advisable. The judgment of the Trustee as to the fair market value of any asset shall be presumptively conclusive and binding on all persons.

(b) Except as otherwise provided in paragraph (c) next below, the earnings and market appreciation or depreciation of each Investment Fund (including earnings and appreciation or depreciation attributable to the investment of any Suspense Account in such Investment Fund) shall be allocated to each applicable Account (excluding any Suspense Account) that is invested in such Investment Fund on the current business day by multiplying the earnings and market appreciation or depreciation of such Fund by a fraction, the numerator of which is the Adjusted Balance of such Account invested in the applicable Fund as of the close of business of the preceding business day and the denominator of which is the total of the Adjusted

Balances of all such Accounts (excluding any Suspense Account) invested in such Fund as of the close of business of the preceding business day (subtracting for purposes of determining such fraction all distributions, withdrawals and loans made from any such Account since such prior business day). Each such Account (excluding any Suspense Account) shall be adjusted by adding thereto or subtracting therefrom its share of the earnings and market appreciation or depreciation of each Investment Fund as determined by the preceding sentence. Each Account shall then be further adjusted by adding to it the amount of contributions, if any, allocable thereto for each Participant pursuant to Sections 6.3, 6.4, 6.5 and 6.6 since the close of business of the preceding business day, and subtracting therefrom all distributions, withdrawals and loans from such Account since such preceding business day.

(c) Earnings on amounts relating to Rollover Contributions, benefit payments and loan repayments that are invested by the Trustee in short term investment obligations pending allocation to Participants' Accounts or distribution to Participants or Beneficiaries, as the case may be, shall first be used to pay certain administrative expenses described in Section 9.6. Any remaining earnings on such amounts shall be allocated among the Accounts of all Participants employed by an Employer in proportion to the ratio that each such Participant's Account balance bears to the total Account balances of all such Participants.

6.10 ALLOCATION OF FORFEITURES. As of each Wage Payment Date any amount that may have become allocable during the corresponding Wage Payment Period by reason of a forfeiture of the Adjusted Balance of the Anchor Account or Matching Contributions Account of any Participant pursuant to Section 7.4 shall first be used to pay certain administrative expenses described in Section 9.6. Any remaining amounts of forfeitures shall be used to offset the amount of Matching Contributions to be made for the next Wage Payment Period by such Participant's Employer pursuant to Section 4.1 and shall be allocated among the Matching Contributions Accounts of all Participants employed by such Employer pursuant to the provisions of Section 6.3.

6.11 ACCOUNTS TRANSFERRED FROM THE ROGERS PLAN. If a Participant who was a participant in the Rogers Plan prior to January 1, 1992 had accounts transferred from the Rogers Plan to this Plan by reason of the termination of the Rogers Plan as of December 31, 1991, such transferred accounts, and the earnings and losses allocable thereto, shall be held in the Rogers Account established in the Participant's name under the Trust.

6.12 ACCOUNTS TRANSFERRED FROM THE SANFORD PLAN. If a Participant who was a participant in the Sanford Plan prior to January 1, 1993 had accounts transferred from the Sanford Plan to this Plan by reason of the merger of the Sanford Plan as of December 31, 1992, such transferred accounts, and the earnings and losses allocable thereto, shall be held in the Sanford Account established in the Participant's name under the Trust.

6.13 ACCOUNTS TRANSFERRED FROM AN INTERCRAFT PLAN. If a Participant who was a participant in an Intercraft Plan prior to January 1, 1994 has accounts transferred from the Intercraft Plan to this Plan by reason of the merger of the Intercraft Plan as of January 1, 1994, such transferred accounts, and the earnings and losses allocable thereto, shall be held in the Intercraft Account established in the Participant's name under the Trust.

6.14 ACCOUNTS TRANSFERRED FROM THE LEVOLOR PLAN. If a Participant who was a participant in the Levolor Plan prior to October 1, 1994 has accounts transferred from the Levolor Plan to this Plan by reason of the merger of the Levolor Plan as of October 1, 1994, such transferred accounts, and the earnings and losses allocable thereto, shall be held in the Levolor Account established in the Participant's name under the Trust.

ARTICLE VII

PAYMENT OF BENEFITS

7.1 PAYMENTS ON RETIREMENT. A Participant who attains his Normal Retirement Date and continues to be an Employee shall continue to share in the allocation of Earnings Deferral Contributions, Supplemental Employer Contributions, Matching Contributions, and may elect or continue to enter into Long-Term Savings Agreements. Upon the retirement of a Participant at or after his Normal Retirement Date, the Committee shall notify the Trustee in writing of the Participant's retirement and shall direct the Trustee to make payment, in a method provided in the Plan, of the Adjusted Balance of the Participant's Account as of the Participant's retirement date.

7.2 PAYMENTS ON DEATH.

(a) Upon the death of a Participant the Committee shall promptly notify the Trustee in writing of the Participant's death and the name of his Beneficiary (or Surviving Spouse if paragraph (c) is applicable) and shall direct the Trustee to make payment, in a method provided in the Plan, of the Adjusted Balance of the Participant's Account as of his date of death, to his Beneficiary or Surviving Spouse, as the case may be, in accordance with Section 7.5.

(b) Each Participant who is not married to a Surviving Spouse at the date of his death, and each married Participant whose Surviving Spouse has consented to an alternate Beneficiary designation, shall have the right to designate, by giving a written designation to the Committee, a person or persons or entity as Beneficiary to receive the death benefit provided under this Section 7.2. Successive designations may be made, and the last designation received by the Committee prior to the death of the Participant shall be effective and shall revoke all prior designations. If a designated Beneficiary shall die before the Participant, his interest shall terminate and, unless otherwise provided in the Participant's designation, if such designation named more than one Beneficiary, such

interest shall be paid in equal shares to those Beneficiaries, if any, who survive the Participant. The Participant shall have the right to revoke the designation of any Beneficiary without the consent of the Beneficiary.

(c) The Beneficiary of each married Participant shall be the Surviving Spouse of the Participant and the death benefits of any Participant who is married to a Surviving Spouse at the date of his death shall be paid in full to his Surviving Spouse in a single lump sum. Notwithstanding the preceding sentence, the death benefits provided pursuant to Section 7.2(a) shall be distributed to a married Participant's Beneficiary (if any) designated as provided in paragraph (b) and pursuant to the method, if any, designated by the Participant as provided in paragraph (b), if the Participant's Surviving Spouse consented to such designation by the Participant, prior to the date of his death, in writing in accordance with the requirements of Sections 205(b)(1)(C)(i) and 205(c)(2)(A) of ERISA. Such consent must acknowledge the effect of the election and the identity of any non-Surviving Spouse Beneficiary, including any class of Beneficiaries or contingent Beneficiaries, and must be witnessed by a representative of the Plan or a notary public. The consent of the Participant's Surviving Spouse shall not be required if the Participant establishes to the satisfaction of the Committee that such consent may not be obtained because there is no Surviving Spouse or the Surviving Spouse cannot be located, or because of such other circumstances as the Secretary of the Treasury may prescribe by regulations. The Participant may not subsequently change the method of distribution elected by the Participant or the designation of his Beneficiary unless his Surviving Spouse consents to the new election or designation in accordance with the requirements set forth in the preceding sentence, or unless the Surviving Spouse's consent permits the Participant to change the election of method of payment or the designation of his Beneficiary without the Surviving Spouse's further consent. A Spouse's consent shall be irrevocable. Any consent by a Surviving Spouse, or establishment that the consent of the Surviving Spouse may not be obtained, shall be effective only with respect to that Surviving Spouse.

(d) If a Participant shall fail to designate a Beneficiary, or if such designation shall for any reason be illegal or ineffective, or if no Beneficiary shall survive the Participant, his death benefits shall be paid:

(i) to his Surviving Spouse;

(ii) if there is no Surviving Spouse, to his surviving children (including legally adopted children) in equal shares;

(iii) if there is neither a Surviving Spouse nor surviving children, to his surviving parents in equal shares;

(iv) if there is neither a Surviving Spouse, nor surviving children or surviving parents, to the duly appointed and qualified executor or other personal representative of the

Participant to be distributed in accordance with the Participant's will or applicable intestacy law; or

(v) in the event that there shall be no such representative duly appointed and qualified within six (6) months after the date of death of such deceased Participant, then to such persons as, at the date of his death, would be entitled to share in the distribution of such deceased Participant's personal estate under the provisions of the applicable statute then in force governing the descent of intestate property, in the proportions specified in such statute.

(e) The Committee may determine the identity of the distributees and in so doing may act and rely upon any information it may deem reliable upon reasonable inquiry, and upon any affidavit, certificate, or other paper believed by it to be genuine, and upon any evidence believed by it sufficient.

7.3 PAYMENTS ON DISABILITY. Upon the termination of a Participant's employment with all Employers by reason of a disability, the Committee shall notify the Trustee in writing of said disability termination, and shall direct the Trustee to make payment, in a method provided in the Plan, of the Adjusted Balance of the Participant's Accounts as of the date of such Participant's disability termination. For purposes of this section "disability" means a physical or mental condition that is expected to render the Participant permanently unable to perform his usual duties or any comparable duties for his Employer. The determination of the existence of such disability shall be made by the Committee and shall be final and binding upon such Participant and all other parties. The Committee may require submission of such medical evidence as it may deem necessary in order to arrive at its determination. The Committee's determination of the existence of a disability will be made with reference to the nature of the injury without regard to the period the Participant is absent from work.

7.4 PAYMENTS ON TERMINATION FOR REASONS OTHER THAN RETIREMENT, DEATH OR DISABILITY. Upon the termination of employment with all Employers of a Participant for any reason other than retirement, death or disability, the Committee shall notify the Trustee in writing of the Participant's termination and shall direct the Trustee to make payment of the Adjusted Balance of the Participant's Savings Account, Rogers Account, Intercraft Account, Levolor Account, Sanford Account and Transfer Account, and the vested portion of the Adjusted Balance of his Anchor Account and Matching Contributions Account, as of the Valuation Date immediately succeeding his application for distribution, in accordance with Section 7.5. The non-vested portion, if any, of the Adjusted Balance of the Participant's Anchor Account and Matching Contributions Account shall be forfeited after the Participant incurs a one-year Break in Service. Forfeitures shall be used first to pay certain administrative expenses described in Section 9.6, and then to reduce Matching Contributions for the Plan Year next following the Year the forfeiture occurs and for succeeding Years, to the extent necessary, as provided in Section 6.10. If a Participant is reemployed before he incurs a Break in Service of at

least five years, the forfeited portion of his Anchor Account and Matching Contribution Account will be reinstated and he will continue to vest in such Accounts. If a Participant who is rehired before he incurs a Break in Service of at least five years again incurs a termination of employment under circumstances in which he is not fully vested in his Anchor Account and Matching Contributions Account, a portion of his Anchor Account and Matching Contributions Account distributable on the date of his later termination of employment shall be calculated as follows:

(i) the amount distributed to the Participant from his Anchor Account and Matching Contributions Account upon his earlier termination of employment shall be added to the Adjusted Balance of his Anchor Account and Matching Contributions Account;

(ii) the amount determined under paragraph (i) shall be multiplied by the vested percentage as of the date of his later termination of employment determined under Section 6.8; and

(iii) the amount distributed to the Participant upon his earlier termination of employment shall be deducted from the product calculated under paragraph (ii) to determine the amount distributable upon his termination of employment.

7.5 MANNER AND TIMING OF PAYMENT. (a) Whenever the Committee shall direct the Trustee to make payment to a Participant, his Beneficiary, or his Surviving Spouse upon termination of the Participant's employment (whether by reason of retirement, death, disability or for other reasons), the Committee shall direct the Trustee to pay the Adjusted Balance of his Savings Account, Transfer Account, Rogers Account, Intercraft Account, Levolor Account and Sanford Account, if any, and the vested portion of the Adjusted Balance of his Matching Contributions Account and Anchor Account, if any, to or for the benefit of the Participant, his Beneficiary, or his Surviving Spouse, in cash or wholly or partly in kind, in either of the following ways as the Participant (or, in the case of a deceased former Participant, his Beneficiary or Surviving Spouse) shall determine:

(i) In a lump sum, payable sixty days after termination of the Participant's employment with all Employers unless the Participant elects to defer payment until March 31 of the succeeding Plan Year; provided that distributions in kind shall be valued at the fair market value of the assets distributed on the date of such distribution; or

(ii) In installments payable in fixed and substantially equal monthly, quarterly, semi-annual or annual amounts, commencing sixty days after termination of the Participant's employment with all Employers, unless the Participant elects to defer commencement of payments until March 31 of the succeeding Plan Year; and continuing over a period not longer than the maximum period permitted under paragraph (c) below; provided that distributions in kind shall be valued at the fair market value of the assets distributed on the date of such distribution. The

Participant, or Beneficiary or Surviving Spouse, as the case may be, may increase the fixed amount of the installment payment previously elected, or may elect to have the remaining vested portions of the Adjusted Balance of the Accounts paid in a lump sum. Such election shall be effective as of the first day of any month if written notice is received by the Committee no later than the fifteenth day of the preceding month.

(b) Notwithstanding anything to the contrary in the Plan, and subject to subsection 7.5(d), if on the last day of the Plan Year corresponding to or following the date of a Participant's termination of employment, the total amount payable under paragraph (a), excluding amounts distributable from his Transfer Account, is $3,500 or less, such amount shall be distributed to the Participant in a lump sum as soon as is administratively feasible following such date. Notwithstanding the foregoing, if on the last day of the Plan Year corresponding to or following the date of a Participant's termination of employment, the total amount payable under paragraph (a), excluding amounts distributable from the Participant's Transfer Account, exceeds $3,500, no part of such amount may be distributed prior to the earlier of the Participant's Normal Retirement Date or the date of his death without the written consent of the Participant.

(c) Notwithstanding anything to the contrary contained elsewhere in the Plan:

(i) The payment of benefits under the Plan to any Participant will:

(A) be distributed to him not later than the Required Distribution Date (as defined in paragraph (c)(iii)), or

(B) be distributed to him commencing not later than the Required Distribution Date in accordance with regulations prescribed by the Secretary of the Treasury (I) over the life of the Participant or over the lives of the Participant and his Beneficiary, or (II) over a period not extending beyond the life expectancy of the Participant or the life expectancy of the Participant and his Beneficiary.

(ii) (A) If the Participant dies after distribution to him has commenced pursuant to paragraph (c)(i)(B) but before his entire interest in the Plan has been distributed to him, then the remaining portion of that interest will be distributed at least as rapidly as under the method of distribution being used under paragraph (c)(i)(B) at the date of his death.

(B) If the Participant dies before distribution to him has commenced pursuant to paragraph (c)(i)(B), then, except as provided in paragraphs (c)(ii)(C) and (c)(ii)(D), his entire interest in the Plan will be distributed within five years after his death.

(C) Notwithstanding the provisions of paragraph (c)(ii)(B), if the Participant dies before distribution to him has commenced pursuant to paragraph (c)(i)(B) and if any portion of his interest in the Plan is payable (I) to or for the benefit of a Beneficiary, (II) in accordance with regulations prescribed by the Secretary of the Treasury over the life of the Beneficiary or over a period not extending beyond the life expectancy of the Beneficiary, and (III) beginning not later than one year after the date of the Participant's death or such later date as the Secretary of the Treasury may prescribe by regulations, then the portion of his interest referred to in this paragraph (c)(ii)(C) shall be treated as distributed on the date on which such distributions begin.

(D) Notwithstanding the provisions of paragraphs (c)(ii)(B) and (c)(ii)(C), if the Beneficiary referred to in paragraph (c)(ii)(C) is the Surviving Spouse of the Participant, then

(I) the date on which the distributions are required to begin under paragraph (c)(ii)(C)(III) of this Section shall not be earlier than the date on which the Participant would have attained age 70 1/2, and

(II) if the Surviving Spouse dies before the distributions to that Spouse begin, then this paragraph (c)(ii)(D) shall be applied as if the Surviving Spouse were the Participant.

(iii) For purposes of this paragraph (c), the Required Distribution Date means April 1 of the calendar year following the calendar year in which the Participant attains age 70 1/2.

(iv) For purposes of this paragraph (c), the life expectancy of a Participant and his Spouse may be redetermined, but not more frequently than annually. This subsection (c)(iv) shall not apply in the case of a life annuity.

(v) A Participant may not elect a form of distribution providing for payments after the Participant's death to a Beneficiary other than his Spouse unless the actuarial value of the payments expected to be made to the Participant during his lifetime is more than fifty percent (50%) of the actuarial value of the total payments expected to be made under such form of distribution.

(d) This subsection 7.5(d) applies to distributions made on or after January 1, 1993. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a Distributee's election under this subsection, a Distributee may elect, at the time and in the manner prescribed by the Plan Administrator, to have any portion of an

Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the Distributee in a Direct Rollover.

(i) Definitions.

(A) "Eligible Rollover Distribution" is any distribution of all or any portion of the balance to the credit of the Distributee, except that an Eligible Rollover Distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's designated Beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under section 401(a)(9) of the Code; and the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities).

(B) "Eligible Retirement Plan" is an individual retirement account described in section 408(a) of the Code, an individual retirement annuity described in section 408(b) of the Code, an annuity plan described in section 403(a) of the Code, or a qualified trust described in section 401(a) of the Code, that accepts the Distributee's eligible rollover distribution. However, in the case of an Eligible Rollover Distribution to the Surviving Spouse, an Eligible Retirement Plan is an individual retirement account or individual retirement annuity.

(C) "Distributee" includes an Employee or former Employee. In addition, the Employee's or former Employee's Surviving Spouse and the Employee's or former Employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in section 414(p) of the Code, are Distributees with regard to the interest of the spouse or former spouse.

(D) "Direct Rollover" is a payment by the Plan to the Eligible Retirement Plan specified by the Distributee.

(e) If a distribution is one to which Sections 401(a)(11) and 417 of the Code do not apply, such distribution may commence less than 30 days after the notice required under section 1.411(a)-11(c) of the Income Tax Regulations is given, provided that:

(i) the Committee clearly informs the Participant that the Participant has a right to a period of at least 30 days after receiving the notice to consider the decision of whether or not to elect a distribution (and, if applicable, a particular distribution option), and

(ii) the Participant, after receiving the notice, affirmatively elects a distribution.

(f) A Participant who entered the Levolor Plan prior to September 1, 1990 and for whom a Levolor Account has been established under the Plan may elect to have the Adjusted Balance of the portion of such Levolor Account attributable to employer profit sharing contributions paid either pursuant to paragraph (g) below or in the form of a paid-up annuity policy.

(g) Notwithstanding the above, the following provisions of this paragraph (g) apply with respect to the Adjusted Balance of (i) the portion of a Participant's Intercraft Account held under the Intercraft Retirement Program, and (ii) the portion of a Participant's Levolor Account referred to in paragraph (f) above, in the case of a Participant who elects payment of such portion in the form of an annuity pursuant to paragraph (f) above:

(i) Payment for reasons other than death.

(A) Upon termination of a Participant's employment with all Employers for any reason other than death, the Committee shall direct the Trustee to pay such portion as follows:

(I) If the Participant has a Spouse at the date payments to him are to commence, such amount shall be payable to the Participant in the form of a Joint and Survivor Annuity. However, the Participant, with the consent of his Spouse, may elect during the Election Period to waive payment in the form of a Joint and Survivor Annuity pursuant to subsection (i)(B) below and elect payment of such portion in a method described in Section 7.5(a) and (d) above. For purposes of this subsection (i), the term "Joint and Survivor Annuity" means an annuity payable to the Participant for his life, with a survivor annuity payable to his Spouse for the life of such Spouse commencing on the first day of the month immediately following the date of death of the Participant, in an amount equal to one-half of the amount payable during the life of the Participant.

(II) If a Participant does not have a Spouse at the date payments to him are to commence, such portion shall be payable to him in the form of a Single Life Annuity. However, the Participant may elect during the Election Period to waive payment in the form of a Single Life Annuity pursuant to subsection (i)(B) below and elect payment of such portion in a method described in Section 7.5(a) and (d) above. For purposes of this paragraph (i), the term "Single Life Annuity" means an annuity payable to the Participant for his life.

(B) Within a reasonable time prior to the commencement of payments to a Participant under the Plan, the Committee shall give the Participant a written notice, in nontechnical terms, of his right to waive payment of such portion in the form of a Joint and Survivor Annuity or Single Life Annuity, as the case may be, pursuant to paragraph (i)(A) and of his right to elect the method of such payment as described in Section 7.5(a) and (d) above. Such notice shall include a description of (I) the terms and conditions of the Joint and Survivor Annuity or Single Life Annuity, whichever is applicable, (II) the Participant's right to make, and the effect of making, an election to waive the Joint and Survivor Annuity or Single Life Annuity, (III) the right of the Participant's Spouse, if any, not to consent to such an election, (IV) the right to make, and the effect of, a revocation of such an election, and (V) the methods of payment pursuant to Section 7.5(a) and (d) above. A Participant may elect at any time during the Election Period to waive the Joint and Survivor Annuity or Single Live Annuity, as the case may be, and to elect a method of payment described in Section 7.5(a) and (d) above. For purposes of this subsection (i), the term "Election Period" means the ninety-day period ending on the earliest date with respect to which payments to the Participant commence. Any election pursuant to this paragraph (i) may be modified or revoked during the Election Period and shall be automatically revoked if the Participant dies before payments commence.

(C) Any election by a married Participant to waive payment in the form of a Joint and Survivor Annuity shall not take effect unless the Participant's Spouse consents in writing to the election and such consent acknowledges the effect of the election. Such a consent must acknowledge the effect of the election and the identity of any non-Spouse Beneficiary, including any class of Beneficiaries or contingent Beneficiaries, designated to receive any installments remaining unpaid at the date of his death, and must be witnessed by a representative of the Plan or a notary public. The consent of the Participant's Spouse shall not be required if the Participant establishes to the satisfaction of the Committee that consent may not be obtained because there is no Spouse or the Spouse cannot be located, or because of such other circumstances as the Secretary of the Treasury may prescribe by regulations. Any designation by a Participant of a new Beneficiary or alternate method of payment shall not take effect unless the Participant's Spouse, if any, consents to the new designation pursuant to the procedures set forth in the preceding sentence or unless the Spouse's consent permits the Participant to change the designation of his Beneficiary or the method of payment without the

Spouse's consent. A Spouse's consent shall be irrevocable.

(ii) Payment By Reason of Death.

(A) Upon the death of a Participant prior to commencement of payment of such portion to him, the Committee shall direct the Trustee to pay such amount as follows:

(I) If the Participant has a Spouse at the date of his death, the Adjusted Balance of such portion shall be payable to his Spouse as a Preretirement Survivor Annuity. However, the Participant, with the consent of his Spouse, may elect during the Election Period to waive the Preretirement Survivor Annuity pursuant to (ii)(B) below and elect payment of such portion in a method described in Section 7.5(a) and (d) above. For purposes of this paragraph (ii), the term "Preretirement Survivor Annuity" means an annuity payable for the life of the Participant's Spouse, commencing on the first day of the month after the date of death of the Participant.

(II) If a Participant does not have a Spouse at the date of his death, such portion shall be payable to his Beneficiary in any of the ways set forth in Section 7.5(a) above as the Participant shall elect by written notice delivered to the Committee during the Election Period.

(B) The Committee shall provide each married Participant with a written explanation of the Preretirement Survivor Annuity. The explanation shall be provided to each such Participant as soon as may be practicable after his date of employment. If the employment of the Participant with the all Employers terminates prior to the date of his death and he is then reemployed, he must receive such written explanation as soon as practicable after the date of reemployment. Such notice shall include a description of (I) the terms and conditions of the Preretirement Survivor Annuity, (II) the Participant's right to make, and the effect of, an election to waive the Preretirement Survivor Annuity and to designate a beneficiary to receive the adjusted balances in his accounts, (III) the rights of the Participant's spouse not to consent to such an election, (IV) the right to make, and the effect of, the revocation of such an election, and (V) the methods of payment pursuant to paragraph (iv) below. A Participant may elect at any time during the Election Period to waive the Preretirement Survivor Annuity, if applicable, and to elect a method of payment described in Section 7.5(a) and (d) above. For purposes of this subsection (ii), the term "Election Period" means the period that begins on the date on which the Participant receives the aforementioned explanation and ends

on the date of the Participant's death. Any election pursuant to this subsection (ii) may be modified or revoked during the Election Period.

(C) Any election by a married Participant to waive payment in the event of his death in the form of a Preretirement Survivor Annuity and to designate a non-Spouse Beneficiary shall not take effect unless the Participant's Spouse consents in writing to the election and designation prior to the Participant's death. The Spousal consent provisions described in (i)(C) above shall apply.

7.6 WITHDRAWALS FROM TRANSFER ACCOUNT. As of the last day of his first full Wage Payment Period of any month Participant may withdraw from his Transfer Account an amount not in excess of the Adjusted Balance thereof determined as of such day. Each request for distribution pursuant to this Section 7.6 must be made by written application to the Committee no later than the fifteenth day of the month preceding the last day of the applicable calendar month.

7.7 WITHDRAWALS FROM ANCHOR ACCOUNT. A Participant for whom an Anchor Account has been established under the Plan shall be entitled to withdraw amounts from his various sub-accounts thereunder pursuant to this Section. The sub-accounts referred to below have the meaning as set forth in the Anchor Plan and consist of the funds accumulated thereunder as of December 31, 1988. Such withdrawals are effective as of the first day of any month if written notice is received by the Committee no later than the fifteen day of preceding month.

(a) A Participant may elect to withdraw 25%, 50%, 75% or 100% of the portion of his Voluntary Member Contributions Sub-Account that is attributable to Voluntary Member Contributions made prior to January 1, 1987, excluding any net earnings and gain thereon.

(b) A Participant who has withdrawn 100% of his pre-1987 Voluntary Member Contributions may elect to withdraw 25%, 50%, 75% or 100% of the portion of his Basic Member Contribution Sub-Account that is attributable to Basic Member Contributions made prior to January 1, 1987, excluding any net earnings and gains thereon.

(c) Any Participant who has withdrawn 100% of his pre-1987 Voluntary Member and Basic Member Contributions may elect to withdraw 25%, 50%, 75% or 100% of the remainder of his Voluntary Member Contribution Sub-Account, including any net earnings and gain thereon.

(d) A Participant who has withdrawn 100% of his pre-1987 Basic Member Contributions and 100% of his Voluntary Member Contributions Sub-Accounts may elect to withdraw 25%, 50%, 75% or 100% of the remainder of his Basic Member Contributions Sub-Account, including any net earnings and gain thereon.

(e) A Participant who has withdrawn 100% of his Voluntary Member and Basic Member Contributions Sub-Accounts including any net earnings and gain thereon, may elect to withdraw 100% of his PAYSOP Sub-Account, including any net earnings and gain thereon.

(f) A Participant who is at least 59-1/2 years old, or who has demonstrated the existence of a Hardship (as defined in paragraph (j) below), and who has withdrawn 100% of his Voluntary Member and Basic Member Contributions Sub-Accounts and 100% of his PAYSOP Sub-Account, may elect to withdraw 25%, 50%, 75% or 100% of his Voluntary Employer Contributions Sub-Account, including any net earnings and gain thereon earned through December 31, 1988; provided, however, that in the case of any Hardship withdrawal, the amount withdrawn pursuant to this paragraph shall be determined without regard to the percentages set forth in this paragraph and shall in no event exceed the amount necessary to relieve the Hardship.

(g) A Participant who is at least 59-1/2 years old, or who has demonstrated the existence of a Hardship (as defined in paragraph (j) below), and who has withdrawn 100% of his Voluntary Contributions and Basic Member Contributions Sub-Accounts and 100% of his PAYSOP Sub-Account pursuant to subsections (a) through (f) may elect to withdraw 25%, 50%, 75% or 100% of his Basic Employer Contributions Sub-Account, including any net earnings and gain thereon earned through December 31, 1988; provided, however, that in the case of any Hardship withdrawal, the amount withdrawn pursuant to this paragraph shall be determined without regard to the percentages set forth in this paragraph and shall in no event exceed the amount necessary to relieve the Hardship.

(h) A Participant who has withdrawn 100% of his Voluntary Contributions and Basic Contributions Sub-Accounts and 100% of his PAYSOP Sub-Account in accordance with (and as permitted by) paragraphs (a) through (g) of this Section may elect to withdraw 25%, 50%, 75% or 100% of his Matching Employer Contributions Sub-Account in which he has a vested interest, including any net earnings and gain thereon.

(i) If a Participant makes a withdrawal under paragraphs (f) and/or (g) of this Section on account of a Hardship, such withdrawal shall be subject to the following rules:

(i) Each request for such a withdrawal must be made by written application to the Committee supported by such evidence as the Committee may require;

(ii) Each withdrawal shall be an account of a Hardship (as defined in paragraph (j)) suffered by the Participant;

(iii) The amount withdrawn shall not be in excess of the immediate and heavy financial need of the Participant, which need shall be deemed to include

any amounts necessary to satisfy any Federal, state or local income taxes or penalties reasonably expected to be incurred by the Participant as a result of the withdrawal;

(iv) The Participant shall first obtain all distributions, other than hardship distributions, and all nontaxable loans currently available under the Plan and all other plans maintained by the Company or any Affiliated Employer;

(v) The Participant's elective contributions and employee contributions (as defined in Treasury Regulation Section 1.401(k)) shall be suspended under the Plan and all other plans maintained by the Company or any Affiliated Employer for twelve (12) months after his receipt of the Hardship withdrawal; and

(vi) The Participant may not make elective contributions (as defined in Treasury Regulation Section 1.401(k)) under the Plan or any other plan maintained by the Company or any Affiliated Employer for the Participant's taxable year immediately following the taxable year of the Hardship withdrawal in excess of the applicable limit under Code Section 402(g) for such next taxable year less the amount of such Participant's elective contributions for the taxable year of the Hardship withdrawal.

(j) For purposes of this Section and Section 7.12, a distribution will be on account of Hardship if it is needed for: (i) medical expenses described in Section 213(d) of the Code previously incurred by, or expected to be incurred by, the Participant, his spouse, or any of his dependents (as defined in Section 152 of the Code) or necessary for any of these persons to obtain medical care (as defined in Section 213(d) of the Code); (ii) payment of tuition and related educational fees for the next twelve months of post-secondary education for the Participant, his spouse, or any of his dependents (as defined in Section 152 of the Code); (iii) the purchase (excluding mortgage payments) of a principal residence for the Participant; or (iv) the need to prevent the eviction of the Participant from his principal residence or foreclosure on the mortgage of the Participant's principal residence.

(k) A Participant who has made a withdrawal pursuant to this Section and desires to resume having Earnings Deferral and Matching Contributions made for him, after the expiration of the periods provided in clauses v and vi of paragraph (i) above shall execute and file with the Committee a Long-Term Savings Agreement and any other forms required by the Committee, no later than the fifteenth day of the month preceding the beginning of any succeeding Wage Payment Period. In the event a Participant makes either concurrent or consecutive withdrawals under more than one of such paragraphs of this Section 7.7, the periods provided in

such paragraphs shall run concurrently, with each period commencing on the effective date of the applicable withdrawal.

7.8 WITHDRAWALS FROM ROGERS ACCOUNT. A Participant for whom a Rogers Account has been established under this Plan and who is at least 59-1/2 years old may elect to withdraw all or any portion of his Rogers Account. Such withdrawal shall be effective as of the first day of any month if written notice is received by the Committee no later than the fifteenth day of the preceding month.

7.9 WITHDRAWALS FROM SANFORD ACCOUNT. (a) A Participant for whom a Sanford Account has been established under the Plan and who is at least 59-1/2 years old may elect to withdraw all or any portion of his Sanford Account. Such withdrawal shall be effective as of the first day of any month if written notice is received by the Committee no later than the fifteenth day of the preceding month.

(b) A Participant for whom a Sanford Account has been established under the Plan and who has demonstrated the existence of a Hardship (as defined in paragraph 7.7(j)) may elect a withdrawal from his Sanford Account; provided, however, that in the case of any Hardship withdrawal, the amount withdrawn pursuant to this paragraph shall be made in accordance with paragraphs 7.7(i) and (k) and shall in no event exceed the amount necessary to relieve the Hardship.

7.10 WITHDRAWALS FROM SAVINGS ACCOUNT. A Participant who is at least 59-1/2 years old may elect to withdraw from his Savings Account all or any portion of the Adjusted Balance thereof. Such withdrawal shall be effective as of the first day of any month if written notice is received by the Committee no later than the fifteenth day of the preceding month.

7.11 WITHDRAWALS FROM INTERCRAFT ACCOUNT. (a) A Participant for whom an Intercraft Account has been established under the Plan and who is at least 59-1/2 may elect to withdraw all or any portion of his Intercraft Account, other than those amounts in the Intercraft Account attributable to (i) discretionary employer contributions made pursuant to Section 4.1 of the Intercraft Profit Sharing Plan and (ii) contributions made under the Intercraft Retirement Program. Such withdrawal shall be effective as of the first day of any month if written notice is received by the Committee no later than the fifteenth day of the preceding month.

(b) A Participant for whom an Intercraft Account has been established under the Plan and who has demonstrated the existence of a Hardship (as defined in paragraph 7.7(j)) may elect a withdrawal from his Intercraft Account of amounts other than those attributable to the Intercraft Retirement Program; provided, however, that in the case of any Hardship withdrawal, the amount withdrawn pursuant to this paragraph shall be made in accordance with paragraphs 7.7(i) and (k) and shall in no event exceed the amount necessary to relieve the Hardship.

(c) A Participant for whom an Intercraft Account has been established under the Plan and who is at least 65 may elect to

withdraw all or any portion of his Intercraft Plan attributable to discretionary employer contributions made pursuant to Section 4.1 of the Intercraft Profit Sharing Plan. Such withdrawal shall be effective as of the first day of any month if written notice is received by the Committee no later than the fifteenth day of the preceding month.

7.12 WITHDRAWALS FROM LEVOLOR ACCOUNT. (a) A Participant for whom a Levolor Account has been established under the Plan and who is at least 59-1/2 may elect to withdraw all or any portion of his Levolor Account, other than those amounts in the Levolor Account attributable to discretionary employer contributions made under the Levolor Plan. Such withdrawal shall be effective as of the first day of any month if written notice is received by the Committee no later than the fifteenth day of the preceding month.

(b) A Participant for whom a Levolor Account has been established under the Plan and who has demonstrated the existence of a Hardship (as defined in paragraph 7.7(j)) may elect a withdrawal from his Levolor Account; provided, however, that in the case of any Hardship withdrawal, the amount withdrawn pursuant to this paragraph shall be made in accordance with paragraphs 7.7(i) and (k) and shall in no event exceed the amount necessary to relieve the Hardship.

(c) A Participant for whom a Levolor Account has been established under the Plan and who is at least 65 may elect to withdraw all or any portion of his Levolor Plan attributable to discretionary employer contributions made under the Levolor Plan. Such withdrawal shall be effective as of the first day of any month if written notice is received by the Committee no later than the fifteenth day of the preceding month.

7.13 RULES GOVERNING IN-SERVICE DISTRIBUTIONS. (a) In the event a Participant requests to receive a distribution pursuant to Sections 7.6, 7.7, 7.8, 7.9, 7.10, 7.11 or 7.12, and the distribution is approved if necessary, the distribution shall be paid to the Participant as soon as is reasonably practicable upon receipt of the written request for such distribution. If a Participant's termination of employment with all Employers occurs after an election is made in accordance with those Sections, but prior to distribution of the full amount elected, such election shall be automatically void and the benefits he or his Surviving Spouse or Beneficiary are entitled to receive under the Plan shall be distributed in accordance with the other provisions of this Article.

(b) A Participant may not make more than one withdrawal per Plan Year pursuant to each of Section 7.6, 7.7, 7.8, 7.9, 7.10, 7.11 or 7.12.

7.14 DISTRIBUTION OF UNALLOCATED CONTRIBUTIONS. (a) If on the date of termination of a Participant's employment, the Participant's Employer shall be holding a Rollover Contribution made by the Participant, but not yet allocated to his Transfer Account, such Employer shall pay such amounts either directly to the Participant (or his Beneficiary or Surviving Spouse, as the case may be) or

to the Trustee, to be distributed by the Trustee in accordance with Section 7.5.

(b) If on the date of termination of a Participant's employment, a Participant's Earnings have been reduced by any amount pursuant to a Long-Term Savings Agreement, or a Matching Contribution has been made on behalf of such Participant pursuant to Section 4.1(a), and any such amount has not yet been allocated to his Savings Account or Matching Contributions Account (whichever is applicable), the Participant's Employer shall pay such amounts to the Trustee to be credited to the Participant's Savings Account or Matching Contributions Account (whichever is applicable), to be distributed by the Trustee in accordance with Section 7.5.

7.15 ADMINISTRATIVE POWERS RELATING TO PAYMENTS. If a Participant, Beneficiary, or Surviving Spouse, is under a legal disability or, by reason of illness or mental or physical disability, is in the opinion of the Committee unable properly to attend to his personal financial matters, the Trustee may make such payments in such of the following ways as the Committee shall direct:

(a) directly to such Participant, Beneficiary, or Surviving Spouse;

(b) to the legal representative of such Participant, Beneficiary, or Surviving Spouse; or

(c) to some relative by blood or marriage, or friend, for the benefit of such Participant, Beneficiary or Surviving Spouse.

Any payment made pursuant to this Section shall be in complete discharge of the obligation therefor under the Plan.

7.16 DISTRIBUTIONS FROM SAVINGS ACCOUNT. Notwithstanding anything to the contrary contained elsewhere in the Plan, a Participant's Savings Account, that portion of his Anchor Account attributable to Basic Employer Contributions and Voluntary Employer Contributions (as defined in the Anchor Plan), that portion of his Rogers Account attributable to elective deferrals (within the meaning of the Rogers Plan), that portion of his Sanford Account attributable to elective deferrals (within the meaning of the Sanford Plan), that portion of his Intercraft Account attributable to elective deferrals (within the meaning of the Intercraft Profit Sharing Plan) and that portion of his Levolor Account attributable to elective deferrals (within the meaning of the Levolor Plan) shall not be distributable other than upon:

(a) the Participant's separation from service, death, or disability;

(b) termination of the Plan without establishment or maintenance of another defined contribution plan (other than an employee stock ownership plan as defined in Section 4975(e)(f) of the Code);

(c) the date of the sale or other disposition by the Participant's Employer to an unrelated corporation of substantially all of the assets (within the meaning of Section 409(d)(2) of the Code) used by such Employer in a trade or business of the Employer, but only if (i) the Participant is employed by such trade or business and continues employment with the entity acquiring such assets, and (ii) the Company continues to maintain the Plan after the sale or other disposition. The sale of 85% of the assets used in the trade or business shall be deemed a sale of "substantially all" of the assets used in such trade or business;

(d) the date of the sale by the Participant's Employer of such Employer's interest in a subsidiary (within the meaning of Section 409(d)(3) of the Code), but only if (i) the Participant is employed by such subsidiary and continues employment with such subsidiary following such sale, and (ii) the Company continues to maintain the Plan after the sale or other disposition;

(e) the Participant's attainment of age 59-1/2; or

(f) the Participant's Hardship (in the case of a distribution from a Participant's Anchor Account, Sanford Account, Intercraft Account and Levolor Account).

Notwithstanding anything to the contrary contained herein, an event shall not be treated as described in clauses (b), (c) or (d) above with respect to any Participant unless the Participant receives a lump sum distribution (as defined in Section 401(k)(10)(B)(ii) of the Code) by reason of the event. Nothing in this Section is intended to expand the instances in which distributions may be made to Participants. This Section is included in the Plan solely to set forth the restrictions of Section 401(k) of the Code.

ARTICLE VIII

LOANS TO PARTICIPANTS

8.1 LOANS TO PARTICIPANTS. (a) The Committee shall direct the Trustee to make a loan to active Participants, and, to the extent not inconsistent with Section 401(a) of the Code, to former Participants who are parties in interest (as defined in Section 3(14) of ERISA) and who retain account balances under the Plan pursuant to Section 7.5(b) ("Former Participants"), applied for pursuant to the terms of this Article. No more than one such loan may be outstanding from the Plan to any Participant at any time. Such loan shall be in an amount which does not exceed the amount set forth in Section 8.2 below. A loan shall be made on the written application of the Participant to the Committee and on such terms and conditions as are set forth in this Section 8.1 and Sections 8.2 and 8.3 below. In making such loans the Committee shall pursue uniform policies and shall not discriminate in favor of or against any Participant or group of Participants.

(b) Each borrowing Participant shall, as a condition to receiving a loan hereunder, specify in his loan application the Investment Funds in which each of his Accounts are invested from which such loan shall be paid. Each such loan shall be made in accordance with the specification of the borrowing Participant except that if any Investment Fund imposes any restriction or penalty on a distribution, the loan shall be paid from the Investment Funds in such manner as will comply with such restriction and avoid such penalty. Principal and interest payments on a loan shall be allocated among Investment Funds in accordance with subsection 8.4(e).

(c) The Committee may impose such additional uniform and nondiscriminatory administrative requirements upon Participants applying for loans as the Committee may determine.

8.2 MAXIMUM LOAN AMOUNT. (a) In no event shall any loan made pursuant to this Article to any Participant be in an amount which shall cause the outstanding aggregate balance of all loans made to such Participant under this Plan and all other qualified employer plans (as defined in Section 72(p)(4)(A) of the Code) maintained by the Participant's Employer to exceed the lesser of:

(i) $50,000, reduced by the excess (if any) of:

(A) the highest outstanding balance of loans from the Plan and such plans to the Participant during the one-year period ending on the day before the date such loan is made, over

(B) the outstanding balance of loans from the Plan and such plans to the Participant on the date on which such loan is made; or

(ii) fifty percent (50%) of the vested portion of the Adjusted Balance of the Participant's Accounts. For purposes of this clause, the Adjusted Balance of the Accounts of the Participant shall be determined as of the valuation of such Accounts most recently available as of the date the loan is effective.

8.3 REPAYMENT OF LOANS. Any loan made under this Article shall mature and be payable in full on a date elected by the borrowing Participant that (a) in the case of a loan which does not exceed $2,000, is within three (3) years from the date such loan is made, (b) in the case of a loan which exceeds $2,000, but does not exceed $3,000, is within four (4) years from the date such loan is made, and (c) in the case of a loan which exceeds $3,000, is within five (5) years from the date such loan is made. Notwithstanding the foregoing, in the case of a loan used to acquire any dwelling unit that within a reasonable time after the loan is made is to be used (determined at the time the loan is made) as the Participant's principal residence, the terms specified in clauses (a) and (b) above apply, but in addition, such loans shall mature and be payable on the date elected by the borrowing Participant that (i) in the case of such a loan which exceeds $3,000, but does not exceed $4,000, is within five (5) years

from the date such loan is made, (ii) in the case of such a loan which exceeds $4,000, but does not exceed $5,000, is within six (6) years from the date such loan is made, (iii) in the case of such a loan which exceeds $5,000, but does not exceed $6,000, is within seven (7) years from the date such loan is made, (iv) in the case of such a loan which exceeds $6,000, but does not exceed $7,000, is within eight (8) years from the date the loan is made, (v) in the case of such a loan which exceeds $7,000, but does not exceed $8,000, is within nine (9) years from the date the loan is made, and (vi) in the case of such a loan which exceeds $8,000, is within ten (10) years from the date the loan is made.

8.4 TERMS. (a) Loans to Participants shall be made according to the following terms:

(i) the minimum principal amount of any loan, at the time it is made, shall be $1,000.

(ii) proceeds of the loan shall be disbursed to a Participant no later than sixty (60) days after he has applied for the loan in accordance with procedures established by the Committee;

(iii) each loan shall be adequately secured, provided that such security shall not include a portion in excess of fifty percent (50%) of the vested portion of the Adjusted Balance of the Participant's Accounts as of the date the loan is effective;

(iv) interest shall be charged on a loan at a rate that is commensurate with the interest rates charged by persons in the business of lending money for loans that would be made under similar circumstances. The Committee shall determine a reasonable rate of interest based on the foregoing;

(v) payments of principal and interest shall be made through payroll deductions, which deductions shall be irrevocably authorized by the borrowing Participant in writing on a form supplied by the Committee at the time the loan is made to him, and such payroll deductions shall be sufficient to amortize the principal and interest payable pursuant to the loan during the term thereof on a substantially level basis in equal installments (but not less frequently than quarterly). In the case of a Former Participant, payment of principal and interest shall be made by personal payment in quarterly or more frequent installments according to procedures established by the Committee;

(vi) the borrowing Participant shall have the right to prepay all (but not a portion) of the interest and principal of such loan without penalty;

(vii) the loans shall be evidenced by such forms of obligations, and shall be made upon such additional terms as to default, prepayment, security and otherwise as the Committee shall determine; and

(viii) the Committee may charge a borrowing Participant reasonable administrative fees (payable to the Plan), on a nondiscriminatory basis, with respect to each loan.

(b) The entire unpaid balance of any loan made under this Article and all interest due thereon, including all arrearages thereon, shall immediately become due and payable without further notice or demand, if with respect to the borrowing Participant, any of the following events of default occurs:

(i) any payment of principal and/or accrued interest on the loan remains due and unpaid for a period of thirty (30) days after the same becomes due and payable under the terms of the loan;

(ii) a proceeding in bankruptcy, receivership or insolvency is commenced by or against the borrowing Participant;

(iii) the employment of the borrowing Participant with all Employers is terminated for any reason and the Participant does not become a Former Participant (except to the extent inconsistent with Section 401(a) of the Code); provided, however, that in the case of a Participant who terminates employment with an Employer but immediately commences employment with the purchaser of substantially all of the stock or assets of such Employer and continues employment with such purchaser, any such unpaid balance shall become due and payable pursuant to this subsection (b) upon the expiration of a reasonable period of time (as prescribed by the Committee) following the purchase of the Employer's stock or assets. During such period, the Participant shall continue to make payments of the principal and interest through payroll deductions pursuant to subsection 8.3(v) of the Plan, or by such other method deemed appropriate by the Committee.

(iv) the borrowing Participant attempts to make an assignment, for the benefit of creditors, of any security for the loan; or

(v) the borrowing Participant becomes a Former Participant and thereafter receives a distribution of the vested portion of the Adjusted Balance of his Accounts (except to the extent inconsistent with Section 401(a) of the Code).

Any payments of principal and/or interest on the loan not paid when due shall bear interest thereafter, to the extent permitted by law, at the rate specified by the terms of the loan. The payment and acceptance of any sum or sums at any time on account of the loan after an event of default, or any failure to act or enforce the rights granted hereunder upon an event of default, shall not be a waiver of the right of acceleration set forth in this paragraph.

(c) If an event of default and an acceleration of the unpaid balance of the loan and interest due thereon shall occur, the Committee shall direct the Trustee to pursue any remedies available to

a creditor at law or under the terms of the loan, including the right to execute on the security for the loan; provided, however, that neither the Trustee nor the Committee may execute on any amount in the borrowing Participant's Savings Account at any time prior to the time that a distribution of the Account could occur consistent with the provisions of Section 7.14 of the Plan.

(d) Each such loan shall be a first lien against the vested portion of the Adjusted Balances of the Accounts of the borrowing Participant, unless the Committee shall accept other security. If: (i) any portion of a loan shall be outstanding; and (ii) an event occurs pursuant to which the Participant or his estate or his Beneficiaries will receive a distribution or withdrawal from the Accounts of such Participant under the provisions of the Plan, then such distribution or withdrawal shall, to the extent necessary to liquidate the unpaid portion of the loan, be made to the Trustee as payment on the loan or loans. No distribution or withdrawal shall be made to a Participant or his estate or his Beneficiaries from his Accounts in an amount greater than the excess of the portion of his Accounts otherwise distributable over the aggregate of the amounts owing with respect to such loan plus interest, if any, thereon.

(e) All loans made pursuant to this Article shall be funded from the vested portion of the Adjusted Balance of the borrowing Participant's Accounts as set forth in Section 8.2(b). The Accounts of a Participant shall, to the extent used to fund such loan, not participate in the allocation of earnings and losses pursuant to Section 6.9 or Article XI. All principal and interest paid by a Participant with respect to a loan shall be credited to the borrowing Participant's Accounts and shall not be allocated pursuant to Section 6.9 as earnings of the Investment Funds. All payments of principal and interest made by a Participant with respect to a loan shall be allocated to one or more of the Investment Funds in the same ratio as the allocation of the Participant's Earnings Deferral Contributions to such Investment Funds, which is in effect pursuant to Section 11.3 at the time such payment is received by the Trustee. If no allocation direction is in effect at the time such payment is received, the payments shall be allocated based upon the last such allocation direction which was in effect for such Participant. If no such allocation direction was in effect at any time, such payment shall be allocated on a pro rata basis to each of the Investment Funds described in the schedule attached to the Trust Agreement.

ARTICLE IX

PLAN ADMINISTRATION

9.1 COMPANY RESPONSIBILITY. The Company shall be responsible for and shall control and manage the operation and administration of the Plan. It shall be the "Plan Administrator" and "Named Fiduciary" for purposes of ERISA and shall be subject to service of process on behalf of the Plan. The Company shall appoint a Committee of two or more persons to be known as the Retirement

Committee and to act on behalf of the Company in performing these duties. The Company shall advise the Trustee in writing of the names of the Committee members and of changes in membership from time to time.

9.2 POWERS AND DUTIES OF COMMITTEE. The Committee shall administer the Plan in accordance with its terms and shall have all powers necessary to carry out the provisions of the Plan. The Committee shall direct the Trustee concerning all payments which shall be made out of the Trust pursuant to the Plan. The Committee shall interpret the Plan and shall determine all questions arising in the administration, interpretation, and application of the Plan, including but not limited to, questions of eligibility and the status and rights of Participants, Beneficiaries, Surviving Spouses and other persons. Any such determination by the Committee shall presumptively be conclusive and binding on all persons. The regularly kept records of an Employee's Employer shall be conclusive and binding upon all persons with respect to an Employee's age, time and amount of Compensation and Earnings and the manner of payment thereof, and all other matters contained therein relating to Employees. All rules and determinations of the Committee shall be uniformly and consistently applied to all persons in similar circumstances.

9.3 RECORDS AND REPORTS OF COMMITTEE. The Committee shall keep all such books of account, records, and other data as may be necessary for proper administration of the Plan. The Committee shall notify the Trustee of any action taken by the Committee and, when required, shall notify any other interested person or persons.

9.4 ORGANIZATION AND OPERATION OF COMMITTEE. (a) The Committee shall act by majority vote of its members at the time in office, and such action may be taken either by a vote at a meeting or in writing without a meeting. The signature of any one of the members will be sufficient to authorize Committee action.

(b) The Committee may authorize any one of the members or any other person to execute any document on behalf of the Committee, in which event the Committee shall notify the Trustee in writing of such action and the name or names of such member or person. The Trustee thereafter shall accept and rely upon any document executed by such member or persons as representing action by the Committee, until the Committee shall file with the Trustee a written revocation of such designation.

(c) The Committee may adopt such bylaws and regulations as it deems desirable for the conduct of its affairs and may appoint such accountants, counsel, specialists, and other persons as it deems necessary or desirable in connection with the administration of the Plan. The Committee shall be entitled to rely conclusively upon, and shall be fully protected by the Company in any action taken by it in good faith in relying upon, any opinions or reports that shall be furnished to it by any such accountant, counsel, or other specialist.

9.5 CLAIMS PROCEDURE. Claims for benefits under the Plan shall be made in writing to the Committee. In the event a claim for

benefits is wholly or partially denied by the Committee, the Committee shall, within a reasonable period of time, but no later than ninety (90) days after receipt of the claim, notify the claimant in writing of the denial of the claim. If the claimant shall not be notified in writing of the denial of the claim within ninety (90) days after it is received by the Committee, the claim shall be deemed denied. A notice of denial shall be written in a manner calculated to be understood by the claimant, and shall contain (a) the specific reason or reasons for denial of the claim, (b) a specific reference to the pertinent Plan provisions upon which the denial is based, (c) a description of any additional material or information necessary for the claimant to perfect the claim, together with an explanation of why such material or information is necessary, and (d) an explanation of the Plan's review procedure. Within sixty (60) days of the receipt by the claimant of the written notice of denial of the claim, or within sixty (60) days after the claim is deemed denied as set forth above, if applicable, the claimant may file a written request with the Committee that it conduct a full and fair review of the denial of the claimant's claim for benefits, including the conducting of a hearing, if deemed necessary by the Committee. In connection with the claimant's appeal of the denial of his benefit, the claimant may review pertinent documents and may submit issues and comments in writing. The Committee shall render a decision on the claim appeal promptly, but not later than sixty (60) days after the receipt of the claimant's request for review, unless special circumstances (such as the need to hold a hearing, if necessary), require an extension of time for processing, in which case the sixty (60) day period may be extended to one hundred and twenty (120) days. The Committee shall notify the claimant in writing of any such extension. The decision upon review shall (a) include specific reasons for the decision, (b) be written in a manner calculated to be understood by the claimant and (c) contain specific references to the pertinent Plan provisions upon which the decision is based.

9.6 EXPENSES. All proper expenses related to the Trustee and recordkeeping fees in connection with the operation of the Plan, including check charges for distributions made under Article VII of the Plan, shall be paid by the Company. Costs relating to de minimis corrective adjustments to Participants' Accounts or Investment Funds shall be deemed administrative expenses of the Plan and shall first be paid out of forfeitures allocable under Section 6.10, and then out of amounts described in subsection 6.9(c). All other costs, including costs and expenses of litigation involving the Plan and losses, if any, of the Plan of any kind or character, shall be deemed expenses of the Plan and shall be borne by the Plan, and paid out of the Plan assets, except to the extent the Board elects to have such expenses paid directly by the Company.

ARTICLE X

TRUST AGREEMENT

10.1 ESTABLISHMENT OF TRUST. A Trust has been created and shall be maintained for the purposes of the Plan. All contributions under the Plan shall be paid into the Trust. The Trust Fund shall be held, invested and disposed of by the Trustee from time to time acting in accordance with the Trust Agreement. All withdrawals and distributions payable under the Plan shall be paid solely from the Trust Fund.

ARTICLE XI

INVESTMENT FUNDS

11.1 INVESTMENT FUNDS. The Adjusted Balance of each Participant's Savings Account, Transfer Account, Matching Contributions Account, Rogers Account, Sanford Account, Anchor Account, Intercraft Account and Levolor Account shall be invested in the various Investment Funds described in the schedule attached to the Trust Agreement.

11.2 INITIAL INVESTMENT. All Earnings Deferral Contributions, Matching Contributions and Rollover Contributions received by the Trustee shall be allocated among the Investment Funds no later than the close of business of the business day next following receipt by the Trustee of such Contributions in accordance with Participants' selection of Investment Funds pursuant to Section 11.3. In the event that Contributions cannot be allocated among the Investment Funds on the business day next following receipt by the Trustee, such Contributions shall be initially invested in such short term investment obligations as are selected by the Trustee pending such allocation.

11.3 SELECTION OF INVESTMENT FUNDS. (a) Each Participant shall complete an investment election form provided by the Committee directing that his Earnings Deferral Contributions, Matching Contributions and Rollover Contribution be invested, in specified multiples of ten percent (10%), in any of the Investment Funds.

(b) Each Participant shall have the right to modify the direction made in paragraph (a) above with respect to subsequent Earnings Deferral Contributions, Matching Contributions and Rollover Contributions under the Plan.

(c) Each Participant shall have the right to direct that the portion of his Savings Account, Transfer Account, Matching Contributions Account, Rogers Account, Sanford Account, Anchor Account, Intercraft Account and Levolor Account held in any one Investment Fund be transferred, in whole or in part, to any other

Investment Fund. This direction shall not be made more than one time each month, and shall be made by designating the whole percentage of the Adjusted Balance of such Accounts that is to be divided among the various applicable Funds as of the date set forth in paragraph (d) next below.

(d) Any direction by a Participant pursuant to this Section shall be given to the Committee or to the recordkeeper acting on behalf of the Trustee. Any such direction given to the Committee shall be effective as of the Participant's next Wage Payment Period designated by him if such direction, on such forms as shall be required by the Committee is received within a reasonable time, as prescribed by the Committee, prior to the beginning of such Period. Any such direction given to the recordkeeper shall be pursuant to rules it establishes, and shall be given no later than the close of business on the business day preceding the business day for which such direction is to be given effect.

(e) The recordkeeper as shall be appointed by the Committee shall separately account for the interests of each Participant in the several Investment Funds. Each Investment Fund may be invested as a single fund, however, without segregation of Fund assets to represent the interests of Participants.

(f) The portion of any Account invested in the Newell Common Stock Fund will be charged a fee of $.05 per each equivalent share of Newell Common Stock at the time it is credited to such Account.

11.4 INVESTMENT OF ANCHOR ACCOUNT. (a) Within a reasonable time prior to January 1, 1989, each Participant who was expected to have an Anchor Account established under the Plan was given the opportunity to direct that his Anchor Account be invested, in specified multiples of ten percent (10%), in any of the Investment Funds.

(b) Each Participant for whom an Anchor Account has been established shall have the right to direct a transfer of amounts held in any one Investment Fund to any other Investment Fund in accordance with the provisions of Section 11.3(c).

11.5 REGISTRATION OF NEWELL COMMON STOCK. All shares of Newell Common Stock acquired by the Trustee shall be held in the possession of the Trustee until disposed of pursuant to provisions of the Plan and Trust. Such securities may be registered in the name of the Trustee or its nominee or deposited with a depository.

11.6 INVESTMENT OF ROGERS ACCOUNT. (a) Within a reasonable time prior to the transfer of assets from the Rogers Plan, each Participant who was expected to have a Rogers Account established under the Plan was given the opportunity to direct that his Rogers Account be invested, in specified multiples of ten percent (10%), in any of the Investment Funds.

(b) Each Participant for whom a Rogers Account has been established shall have the right to direct a transfer of amounts held in any one Investment Fund to any other Investment Fund in accordance with the provisions of Section 11.3(c).

11.7 INVESTMENT OF SANFORD ACCOUNT. (a) Within a reasonable time prior to the transfer of assets from the Sanford Plan, each Participant who was expected to have a Sanford Account established under the Plan was given the opportunity to direct that his Sanford Account be invested, in specified multiples of ten percent (10%), in any of the Investment Funds.

(b) Each Participant for whom a Sanford Account has been established shall have the right to direct a transfer of amount held in any one Investment Fund to any other Investment Fund in accordance with the provisions of Section 11.3(c).

11.8 INVESTMENT OF INTERCRAFT ACCOUNT. (a) Within a reasonable time prior to the transfer of assets from the Intercraft Plan, each Participant who was expected to have an Intercraft Account established under the Plan was given the opportunity to direct that his Intercraft Account be invested, in specified multiples of ten percent (10%), in any of the Investment Funds.

(b) Each Participant for whom an Intercraft Account has been established shall have the right to direct a transfer of amounts held in any one Investment Fund to any other Investment Fund in accordance with the provisions of Section 11.3(c).

11.9 INVESTMENT OF LEVOLOR ACCOUNT. (a) Within a reasonable time prior to the transfer of assets from the Levolor Plan, each Participant who was expected to have an Levolor Account established under the Plan was given the opportunity to direct that his Levolor Account be invested, in specified multiples of ten percent (10%), in any of the Investment Funds.

(b) Each Participant for whom a Levolor Account has been established shall have the right to direct a transfer of amounts held in any one Investment Fund to any other Investment Fund in accordance with the provisions of Section 11.3(c).

11.10 DEFAULT OF INVESTMENT ELECTION. Any portion of a Participant's Account that as of May 1, 1993 was invested by the Trustee in the Merrill Lynch Ready Assets Fund due to the Participant's failure to direct the investment thereof pursuant to the terms of the Plan, to the extent identifiable, and all identifiable earnings thereon, shall be invested in accordance with the most recent investment election received from the Participant with respect to other amounts in his Account. If no such investment election has been received from the Participant, such portion of his Account shall be divided equally and invested in each of the Investment Funds described in the schedule attached to the Trust Agreement, subject to the minimum amount requirements of each Fund, until such time as the Trustee is directed otherwise by the Participant. Any portion of a Participant's Account that as of May 1, 1993 was invested in the

Merrill Lynch Ready Assets Fund due to the Participant's failure to direct the investment thereof pursuant to the terms of the Plan, including the earnings thereon, that are not identifiable shall remain invested in such Fund until the Trustee is directed otherwise by the Participant.

ARTICLE XII

AMENDMENT AND TERMINATION

12.1 AMENDMENT OF PLAN. The Company shall have the right to amend the Plan at any time and from time to time by resolution of the Board, and all Employers and all persons claiming any interest hereunder shall be bound thereby; provided, however, that no amendment shall have the effect of: (i) directly or indirectly divesting the interest of any Participant in any amount that he would have received had he terminated his employment with all Employers immediately prior to the effective date of such amendment, or the interest of any Beneficiary or Surviving Spouse as such interest existed immediately prior to the effective date of such amendment; (ii) directly or indirectly affecting the vested interest of a Participant under the Plan as determined by Sections 6.8 and 14.4 unless the conditions of Section 203(c) of ERISA are satisfied; (iii) vesting in any Employer any right, title or interest in or to any Trust assets; (iv) causing or effecting discrimination in favor of officers, shareholders, or Highly Compensated Eligible Employees; or (v) causing any part of the Plan assets to be used for any purpose other than for the exclusive benefit of the Participants and their Beneficiaries and Surviving Spouses.

12.2 VOLUNTARY TERMINATION OF OR PERMANENT DISCONTINUANCE OF CONTRIBUTIONS TO THE PLAN. The Company shall have the right to terminate the Plan in whole or in part, or to permanently discontinue contributions to the Plan, at any time by resolution of its Board and by giving written notice of such termination or permanent discontinuance to the Trustee. Such resolution shall specify the effective date of termination or permanent discontinuance, which shall not be earlier than the first day of the Plan Year which includes the date of the resolution.

12.3 INVOLUNTARY TERMINATION OF PLAN. The Plan shall automatically terminate if the Company is legally adjudicated a bankrupt, makes a general assignment for the benefit of creditors, or is dissolved. In the event of the merger or consolidation of the Company into or with any other corporation, respectively, or in the event substantially all of the assets of the Company shall be transferred to another corporation, the successor corporation resulting from the consolidation or merger, or transfer of such assets, as the case may be, shall have the right to adopt and continue the Plan and succeed to the position of the Company hereunder. If, however, the Plan is not so adopted within ninety (90) days after the effective date of such consolidation, merger or sale, the Plan shall automatically be deemed terminated as of the effective date of such transaction. Nothing in

this Plan shall prevent the dissolution, liquidation, consolidation or merger of the Company, or the sale or transfer of all or substantially all of its assets.

12.4 PAYMENTS ON TERMINATION OF, OR PERMANENT DISCONTINUANCE OF CONTRIBUTIONS TO, THE PLAN. If the Plan is terminated as herein provided, or if it should be partially terminated, or upon the complete discontinuance of Employer contributions to the Plan, the following procedure shall be followed, except that in the event of a partial termination it shall be followed only in case of those Participants, Beneficiaries and Surviving Spouses directly affected:

(a) The Committee may continue to administer the Plan, but if it fails to do so, its records, books of account and other necessary data shall be turned over to the Trustee and the Trustee shall act on its own motion as hereinafter provided.

(b) Notwithstanding any other provisions of the Plan all interests of Participants shall continue to be fully vested and nonforfeitable.

(c) The value of the Trust Fund and the Accounts of all Participants, Beneficiaries and Surviving Spouses shall be determined as of the date of termination or discontinuance.

(d) Distribution to Participants, Beneficiaries and Surviving Spouses shall be made at such time after termination of or discontinuance of contributions to the Plan as provided in Section 7.5 above and not later than the time specified in Section 7.5.

ARTICLE XIII

MISCELLANEOUS

13.1 DUTY TO FURNISH INFORMATION AND DOCUMENTS. Participants and their Beneficiaries and Surviving Spouses must furnish to the Committee and the Trustee such evidence, data or information as the Committee considers necessary or desirable for the purpose of administering the Plan, and the provisions of the Plan for each person are upon the condition that he will furnish promptly full, true, and complete evidence, data, and information requested by the Committee. All parties to, or claiming any interest under, the Plan hereby agree to perform any and all acts, and to execute any and all documents and papers, necessary or desirable for carrying out the Plan and the Trust.

13.2 STATEMENTS AND AVAILABLE INFORMATION. The Committee shall advise its Employees of the eligibility requirements and benefits under the Plan. As soon as practicable after the end of each calendar year, the Committee shall provide each Participant, and each former Participant and Beneficiary or Surviving Spouse with respect to whom an Account is maintained, with a statement reflecting the current status of his Accounts including the Adjusted Balance thereof.

No Participant shall have the right to inspect the records reflecting the Account of any other Participant. The Committee shall make available for inspection at reasonable times by Participants and Beneficiaries or Surviving Spouses, copies of the Plan, any amendments thereto, Plan summary, and all reports of Plan and Trust operations required by law.

13.3 NO ENLARGEMENT OF EMPLOYMENT RIGHTS. Nothing contained in the Plan shall be construed as a contract of employment between any Employer and any person, nor shall the Plan be deemed to give any person the right to be retained in the employ of any Employer or limit the right of any Employer to employ or discharge any person with or without cause, or to discipline any Employee.

13.4 APPLICABLE LAW. All questions pertaining to the validity, construction and administration of the Plan shall be determined in conformity with the laws of Illinois to the extent that such laws are not preempted by ERISA and valid regulations published thereunder.

13.5 NO GUARANTEE. None of the Trustee, the Committee and any Employer in any way guarantees the Trust Fund from loss or depreciation nor the payment of any benefits which may be or become due to any person from the Trust Fund. No Participant or other person shall have any recourse against the Trustee, the Committee or any Employer if the Trust Fund is insufficient to provide Plan benefits in full. Nothing herein contained shall be deemed to give any Participant, former Participant, or Beneficiary or Surviving Spouse an interest in any specific part of the Trust Fund or any other interest except the right to receive benefits out of the Trust Fund in accordance with the provisions of the Plan and Trust.

13.6 UNCLAIMED FUNDS. Each Participant shall keep the Committee informed of his current address and the current address of his Surviving Spouse, Beneficiary or Beneficiaries. None of the Committee, the Trustee and any Employer shall be obligated to search for the whereabouts of any person. If the location of a Participant is not made known to the Committee within three years after the date on which distribution of the Participant's accounts may first be made, distribution may be made as though the Participant had died at the end of the three-year period. If, within one additional year after such three year period has elapsed, or, within three years after the actual death of a Participant, the Committee is unable to locate any individual who would receive a distribution under the Plan upon the death of the Participant pursuant to Section 7.2 of the Plan, the Adjusted Balance in the Participant's Account shall be deemed a forfeiture and shall be used to reduce Matching Contributions to the Plan for the Plan Year next following the year in which the forfeiture occurs and for succeeding years to the extent necessary; provided, however, that in the event that the Participant or a Beneficiary or Surviving Spouse makes a valid claim for any amount that has been forfeited, the benefits that have been forfeited shall be reinstated.

13.7 MERGER OR CONSOLIDATION OF PLAN. Any merger or consolidation of the Plan with another plan, or transfer of Plan

assets or liabilities to any other plan, shall be effected in accordance with such regulations, if any, as may be issued pursuant to Section 208 of ERISA, in such a manner that each Participant in the Plan would receive, if the merged, consolidated or transferee plan were terminated immediately following such event, a benefit which is equal to or greater than the benefit he would have been entitled to receive if the Plan had terminated immediately before such event.

13.8 INTEREST NON-TRANSFERABLE. (a) Except as provided in Article VIII of the Plan, no interest of any person or entity in, or right to receive distributions from, the Trust Fund shall be subject in any manner to sale, transfer, assignment, pledge, attachment, garnishment, or other alienation or encumbrance of any kind; nor may such interest or right to receive distributions be taken, either voluntarily or involuntarily, for the satisfaction of the debts of, or other obligations or claims against, such person or entity, including claims for alimony, support, separate maintenance and claims in bankruptcy proceedings. The Account of any Participant, however, shall be subject to and payable in accordance with the applicable requirements of any qualified domestic relations order, as that term is defined in Section 206(d)(3) of ERISA, and the Committee shall direct the Trustee to provide for payment from a Participant's Account in accordance with such order and with the provisions of Section 206(d)(3) of ERISA and any regulations promulgated thereunder. All such payments pursuant to a qualified domestic relations order shall be subject to reasonable rules and regulations promulgated by the Committee respecting the time of payment pursuant to such order and the valuation of the Participant's Account from which payment is made; provided, that all such payments are made in accordance with such order and Section 206(d)(3). A payment from a Participant's Account may be made to an alternate payee (as defined in Section 414(p)(8) of the Code) prior to the date the Participant reaches his earliest retirement age (as defined in Section 414(p)(4)(B) of the Code) if such payments are made pursuant to a qualified domestic relations order. The balance of an Account that is subject to any qualified domestic relations order shall be reduced by the amount of any payment made pursuant to such order.

(b) Notwithstanding paragraph (a) next above, if any Participant borrows money pursuant to Article VIII of the Plan, the Trustee and the Committee shall have all rights to collect upon such indebtedness as are granted pursuant to Article VIII of the Plan and any agreements or documents executed in connection with such loan.

13.9 PRUDENT MAN RULE. Notwithstanding any other provision of the Plan and the Trust Agreement, the Trustee and the Committee shall exercise their powers and discharge their duties under the Plan and the Trust Agreement for the exclusive purpose of providing benefits to Employees and their Beneficiaries and Surviving Spouses, and shall act with the care, skill, prudence and diligence under the circumstances that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. Subject to the terms of the preceding sentence and the provisions of Article XI, the Trustee shall diversify investments of the Trust Fund so as to minimize the risk of

large losses, unless under the circumstances it is clearly prudent not to do so.

13.10 LIMITATIONS ON LIABILITY. Notwithstanding any other provisions of the Plan or the Trust, none of the Trustees, the Committee, any member thereof, any Employer or Affiliated Employer and each individual acting as an employee or agent of any of them shall be liable to any Participant, former Participant, Beneficiary, or Surviving Spouse for any claim, loss, liability or expense incurred in connection with the Plan or the Trust, except when the same shall have been judicially determined to be a result of liability under Part 4 of Title I of ERISA or due to the gross negligence or willful misconduct of such person. The Company shall indemnify and hold harmless each Trustee, Committee member, employee of the Company, or any individual acting as an employee or agent of any of them or the Company (to the extent not indemnified or held harmless under any liability insurance or any other indemnification arrangement with respect to the Plan or the Trust) from any and all claims, losses, liabilities, costs and expense (including attorneys' fees) arising out of any actual or alleged act or failure to act with respect to the administration of the Plan or the Trust, except that no indemnification or defense shall be provided to any person with respect to conduct which has been judicially determined, or agreed by the parties, to have constituted bad faith or willful misconduct on the part of such person, or to have resulted in his receipt of personal profit or advantage to which he is not entitled. In connection with the indemnification provided by the preceding sentence, expenses incurred in defending a civil or criminal action, suit or proceeding, or incurred in connection with a civil or criminal investigation, may be paid by the Company in advance of the final disposition of such action, suit, proceeding, or investigation, as authorized by the Board in the specific case, upon receipt of an undertaking by or on behalf of the party to be indemnified to repay such amount, unless it shall ultimately be determined that he is entitled to be indemnified by the Company pursuant to this Section. The preceding provisions of this Section shall not apply to any claims, losses, liabilities, costs and expenses arising out of any actual or alleged act or failure to act of a Participant, or any individual acting as an employee or agent of a Participant, in the selection of investment media for his Account, or the investment of the assets in his Account.

13.11 HEADINGS. The headings in this Plan are inserted for convenience of reference only and are not to be considered in construction of the provisions hereof.

13.12 GENDER AND NUMBER. Except when otherwise required by the context, any masculine terminology in this document shall include the feminine, and any singular terminology shall include the plural.

13.13 ERISA AND APPROVAL UNDER INTERNAL REVENUE CODE. This Plan is intended to qualify as a Plan and Trust meeting the requirements of Sections 401 and 501(a) of the Code, as now in effect or hereafter amended, so that the income of the Trust Fund may be exempt from taxation under Section 501(a) of the Code, contributions

of the Company under the Plan may be deductible for Federal income tax purposes under Section 404 of the Code, and amounts subject to Long-Term Savings Agreements are not treated as distributed to Participants for Federal income tax purposes under Section 402(a)(8) of the Code, all as now in effect or hereafter amended. Any modification or amendment of the Plan and/or Trust may be made retroactively, as necessary or appropriate, to establish and maintain such qualification and to meet any requirement of the Code or ERISA.

13.14 EXCLUSIVE BENEFIT OF EMPLOYEES. All contributions made pursuant to the Plan shall be held by the Trustee in accordance with the terms of the Trust Agreement for the exclusive benefit of those Employees who are Participants under the Plan, including former Participants and their Beneficiaries and Surviving Spouses, and shall be applied to provide benefits under the Plan and to pay expenses of administration of the Plan and the Trust, to the extent that such expenses are not otherwise paid. At no time prior to the satisfaction of all liabilities with respect to such Employees and their Beneficiaries shall any part of the Trust Fund (other than such part as may be required to pay administration expenses and taxes), be used for, or diverted to, purposes other than for the exclusive benefit of such Employees and their Beneficiaries and Surviving Spouses. However, without regard to the provisions of this Section 13.14: (a) if any contribution under the Plan is conditioned on initial qualification of the Plan under Section 401 of the Code and if the Plan receives an adverse determination with respect to its initial qualification, nothing in this Section 13.14 shall prohibit the return of such contribution to the Employers within one calendar year after such determination, but only if the application for determination is made by the time prescribed by law for filing the Company's return for the taxable year in which the Plan is adopted, or such later date as the Secretary of the Treasury may prescribe, (b) if a contribution is conditioned upon the deductibility of the contribution under Section 404 of the Code, then, to the extent the deduction is disallowed, the Trustee shall, upon written request of an Employer, return the contribution (to the extent disallowed), to the Employer within one year after the date the deduction is disallowed; and (c) if a contribution or any portion thereof is made by an Employer by a mistake of fact, the Trustee shall, upon written request of the Employer, return the contribution or such portion to the Employer within one year after the date of payment to the Trustee; and (d) earnings attributable to amounts to be returned to an Employer pursuant to (b) or (c) above shall not be returned, and losses attributable to amounts to be returned pursuant to (b) or (c) shall reduce the amount so returned.

13.15 EXTENSION OF PLAN TO AFFILIATED EMPLOYERS. (a) With the approval of the Board, any Affiliated Employer may adopt the Plan and become a party to the Trust Agreement, and may qualify its Employees to become Participants in the Plan, by taking proper action to adopt the Plan. Any Affiliated Employer that adopts the Plan shall become an Employer hereunder.

(b) The Plan will terminate with respect to any Affiliated Employer that has adopted the Plan pursuant to this Section, or that

is listed in Appendix A hereto, if the Affiliated Employer ceases to be an Affiliated Employer, revokes its adoption of the Plan by appropriate corporate action, permanently discontinues its contributions on behalf of its Eligible Employees, is judicially declared bankrupt, makes a general assignment for the benefit of creditors, or is dissolved. If the Plan is terminated or contributions are discontinued with respect to any Affiliated Employer the provisions of Article XII shall apply to the interest in the Plan of the Employees of such Affiliated Employer, and their Beneficiaries and Surviving Spouses.

(c) The Company shall act as the agent for each Affiliated Employer that adopts the Plan, or that is listed in Appendix A hereto, for all purposes of administration thereof.

13.16 SECTION 16 OF THE SECURITIES EXCHANGE ACT OF 1934. Notwithstanding anything to the contrary contained in the Plan, in no event shall any provision hereof be given effect to the extent that such provision may result in a violation of Section 16 of the Securities Exchange Act of 1934 or the rules promulgated thereunder. The Committee shall have the sole discretion to establish, adopt and modify administrative procedures to insure compliance with Section 16 and all related rules, which procedures shall be binding on all Participants.

13.17 SEVERABILITY. Each of the Sections contained in the Plan shall be enforceable independently of every other Section in the Plan, and the invalidity or nonenforceability of any Section shall not invalidate or render nonenforceable any other section contained herein. If any Section or provision in a Section is found invalid or unenforceable, it is the intent of the parties that a court of competent jurisdiction shall reform the Section or provisions to produce its nearest enforceable economic equivalent.

ARTICLE XIV

TOP-HEAVY PROVISIONS

14.1 TOP-HEAVY STATUS. The provisions of this Article shall not apply to the Plan with respect to any Plan Year for which the Plan is not Top-Heavy (except as provided in paragraphs (b) and (c) of Section 14.4). If the Plan is or becomes Top-Heavy in any Plan Year, the provisions of this Article XIV will supersede any conflicting provisions elsewhere in the Plan.

14.2 DEFINITIONS. For purposes of this Article XIV, the following words and phrases shall have the meanings stated below unless a different meaning is plainly required by the context:

(a) "Compensation" shall, solely for purposes of this Article XIV, have the meaning set forth in Section 414(q)(7) of the Code. In no event shall the Compensation taken into account for a Participant under the Plan for any Plan Year exceed (a) $200,000 (or

such greater amount provided pursuant to Section 401(a)(17) of the Code), in Plan Years commencing on and after January 1, 1989 and prior to January 1, 1994. For Plan Years commencing on and after January 1, 1994, subsections 1.14(b) through (d) shall apply with respect to Compensation for purposes of this Article XIV.

(b) "Determination Date" shall mean, with respect to any Plan Year: (i) the last day of the preceding Plan Year, or (ii) in the case of the first Plan Year of the Plan, the last day of such Plan Year.

(c) "Key Employee" shall mean an Employee meeting the definition of "key employee" contained in Section 416(i)(1) of the Code and the Treasury Regulations and other governmental releases interpreting said Section. For purposes of applying such definition, "Compensation" shall have the meaning set forth in Section 14.2(a) above.

(d) "Non-key Employee" shall mean any Employee who is not a Key Employee.

(e) "Permissive Aggregation Group Plan" shall mean any plan of the Company or an Affiliated Employer that is not in the Required Aggregation Group and that, when considered with the Required Aggregation Group Plans, meets the requirements of Section 401(a)(4) and 410 of the Code.

(f) "Required Aggregation Group Plan" shall mean (1) each plan of the Company or an Affiliated Employer in which a Key Employee is a participant, and (2) each other plan of the Company or an Affiliated Employer that enables any plan described in (1) to meet the requirements of Sections 401(a)(4) and 410 of the Code.

(g) "Valuation Date" shall mean with respect to a particular Determination Date, the most recent date for valuation of the Investment Fund occurring within a twelve (12) month period ending on the applicable Determination Date and used for computing Plan costs for purposes of the minimum funding requirements of the Code.

14.3 DETERMINATION OF TOP-HEAVY STATUS. (a) The Plan will be "Top-Heavy" with respect to any Plan Year if, as of the Determination Date applicable to such Year, the ratio of the Adjusted Balances in the Accounts of Key Employees (determined as of the Valuation Date applicable to such Determination Date) to the Adjusted Balances in the Accounts of all Employees (determined as of such Valuation Date) exceeds sixty percent (60%). For purposes of computing such ratio, and for all other purposes of applying and interpreting this paragraph (a): (i) the amount of the Accounts of any Employee shall be increased by the aggregate distributions made with respect to such Employee under the Plan during the five-year period ending on any Determination Date, (ii) benefits provided under all plans that are aggregated pursuant to (b) of this Section must be considered, and (iii) the provisions of Section 416 of the Code, and all Treasury Regulations and other governmental releases interpreting said Section shall be applied. If any Employee has not performed

services for the Company or any Affiliated Employer at any time during the five-year period ending on any Determination Date, the balances of the accounts of such Employee shall not be taken into consideration for purposes of determining whether the Plan is Top-Heavy with respect to the Plan Year to which such Determination Date applies.

(b) For purposes of determining whether the Plan is Top - Heavy, all qualified retirement plans that are Required Aggregation Group Plans shall be aggregated. All qualified retirement plans that are Permissive Aggregation Group Plans shall be aggregated only to the extent permitted by Section 416 of the Code and Treasury Regulations promulgated thereunder elected by the Company.

14.4 VESTING. (a) If the Plan becomes Top-Heavy, the vested interest of a Participant in the portion of his Matching Contributions Account referred to in paragraph (d) below shall be determined in accordance with the following formula in lieu of the formula set forth in Section 6.8, unless the Participant would have a greater vested interest under Section 6.8:

Years of Service	Vested Percentage	Forfeitable Percentage
Fewer than 2 years	0%	100%
2 years	20%	80%
3 years	40%	60%
4 years	60%	40%
5 years or more	100%	0%

For purposes of the above schedule, years of Service shall include all years of Service required to be counted under Section 411(a) of the Code, disregarding all years of Service permitted to be disregarded under Section 411(a)(4) of the Code.

(b) The vesting schedule set forth in paragraph (a) next above shall apply to all amounts allocated to a Participant's Matching Contributions Account while the Plan is Top-Heavy and during the period of time before the Plan becomes Top-Heavy. This vesting schedule shall not apply to the Matching Contributions Account of any Employee who does not have an Hour of Service after the Plan becomes Top-Heavy.

(c) If the Plan becomes Top-Heavy and subsequently ceases to be Top-Heavy, the vesting schedule set forth in paragraph (a) of this Section shall automatically cease to apply, and the vesting provisions of Section 6.8 above shall automatically apply, with respect to all amounts allocated to a Participant's Matching Contributions Account for all Plan Years after the Plan Year with respect to which the Plan was last Top-Heavy. For purposes of this paragraph (c), this change in vesting schedules shall only be valid to the extent that the conditions of Section 411(a)(10) of the Code are satisfied.

14.5 MINIMUM CONTRIBUTION. For each Plan Year that the Plan is Top-Heavy, each Employer will contribute and allocate to the Savings Account of each Non-key Employee who is eligible to participate in the Plan and is employed by such Employer on the last day of such Plan Year an amount equal to the lesser of (i) three percent (3%) of such Participant's Compensation (as defined in Section 14.2(a)) for such Plan Year and (ii) the largest percentage of Employer contributions and forfeitures, as a percentage of the Key Employee's Compensation (as defined in Section 14.2(a)), allocated to the Savings Account of any Key Employee for such Year. The minimum contribution allocable pursuant to this Section 14.5 will be determined without regard to any Earnings Deferral Contributions or contributions by an Employer for any Employee under the Federal Social Security Act. A Non-key Employee will not be excluded from an allocation pursuant

to this Section merely because his Compensation is less than the stated amount. A Non-key Employee who has become a Participant but who fails to complete at least 1,000 Hours of Service in a Plan Year in which the Plan is Top-Heavy shall not be excluded from an allocation pursuant to this Section. A Non-key Employee who is a Participant in the Plan and who declined to elect to have Earnings Deferral Contributions made on his behalf under the Plan for the Plan Year shall receive an allocation for that Plan Year pursuant to this Section.

14.6 MAXIMUM ALLOCATION. For purposes of determining whether the Plan would be Top-Heavy if "90%" were substituted for "60%" each place it appears in paragraphs (1)(A) and (2)(B) of Section 416(g) of the Code, as required by Section 416(h) of the Code, all of the preceding provisions of this Article XV shall be applicable except that the phrase "90%" shall be substituted for the phrase "60%" where it appears in paragraph (a) of Section 14.3. If, pursuant to the preceding sentence, it is determined that the Plan would be Top-Heavy if "90%" were so substituted for "60%," then for purposes of applying Sections 415(e) and 416(h) of the Code and Section 6.7 of the Plan to the allocations to the Accounts of any Participant for any Limitation Year, "1.0" shall be substituted for "1.25" in each applicable place in paragraphs (2)(B) and (3)(B) of Section 415(e) of the Code.

14.7 COLLECTIVE BARGAINING AGREEMENTS. The requirements of Sections 14.4 and 14.5 shall not apply with respect to any Participant included in a unit of employees covered by a collective bargaining agreement between employee representatives and the Company or an Affiliated Employer if retirement benefits were the subject of good faith bargaining between such employee representatives and the Company or an Affiliated Employer.

14.8 PARTICIPATION IN MORE THAN ONE PLAN. In the event that a Participant is simultaneously covered under this Plan, at a time when such Plan is Top-Heavy, and a defined benefit plan of the Company or an Affiliated Employer, at a time when the plan is Top-Heavy, the Participant shall be entitled only to the defined benefit minimum

under the defined benefit plan, and not to the defined contribution minimum under this Plan.

IN WITNESS WHEREOF, the Company has caused the Plan to be executed in its name by a duly authorized officer this 12th day of July, 1993, effective as of May 1, 1993.

NEWELL OPERATING COMPANY

By_____

EXHIBIT A

FIRST AMENDMENT TO THE
NEWELL LONG TERM SAVINGS AND INVESTMENT PLAN
(As Amended and Restated Effective May 1, 1993)

WHEREAS, Newell Operating Company, a Delaware corporation, (the "Company") maintains the Newell Long-Term Savings and Investment Plan, as Amended and Restated Effective May 1, 1993 (the "Plan"); and

WHEREAS, the Company has reserved the right to amend the Plan and now deems it appropriate to do so;

NOW, THEREFORE, the Plan is hereby amended, effective as of May 1, 1993, except where otherwise specifically indicated, and with respect to each Employee who earns an Hour of Service on or after the applicable effective date, except where otherwise specifically indicated:

1. The first sentence of Section 1.14 of the Plan is hereby amended to read as follows:

"'Compensation' means a Participant's total earnings from the Company and all Affiliated Employers paid during a Plan Year for services rendered, including the regular rate portion of overtime pay, commissions and any lump sum payments received in lieu of an increase in such Participant's base pay (as agreed upon by the Company and any collective bargaining unit during the term of the applicable collective bargaining agreement), but excluding any bonuses, the premium rate portion of overtime pay, moving expenses, automobile expenses, stock options, contributions or benefits under this Plan or any other pension, profit sharing, insurance, hospitalization or other plan or policy maintained by any Employer for the benefit of such Participant, and all other extraordinary and unusual payments."

2. Section 1.14 of the Plan is hereby amended, effective as of January 1, 1994, by deleting the second sentence and adding a final sentence to read as follows:

"In no event shall the Compensation taken into account for an Employee under the Plan for any Plan Year exceed (a) $200,000 (or such greater amount provided pursuant to Section 401(a)(17) of the Code), in Plan Years commencing on and after January 1, 1989 and prior to January 1, 1994."

3. Section 1.14 of the Plan is further amended, effective January 1, 1994, by designating the first paragraph as subsection (a) and adding new subsections (b) through (d) to read as follows:

"(b) In addition to other applicable limitations set forth in the Plan and notwithstanding any other provision of the Plan to the contrary, for Plan Years beginning on or after January 1, 1994, the annual Compensation of each Participant taken into account under the Plan shall not exceed the OBRA '93 annual Compensation limit. The OBRA '93 annual Compensation limit is $150,000, as adjusted by the Commissioner for increases in the cost of living in accordance with Section 401(a)(17)(B) of the Code. The cost-of-living adjustment in effect for a calendar year applies to any period, not exceeding 12 months, over which Compensation is determined (determination period) beginning in such calendar year. If a determination period consists of fewer than 12 months, the OBRA '93 annual Compensation limit will be multiplied by a fraction, the numerator of which is the number of months in the determination period, and the denominator of which is 12.

(c) For Plan Years beginning on or after January 1, 1994, any reference in this Plan to the limitation under Section 401(a)(17) of the Code shall mean the OBRA '93 annual Compensation limit set forth in this provision.

(d) If Compensation for any prior determination period is taken into account in determining a Participant's benefits accruing in the current Plan Year, the Compensation for that prior determination period is subject to the OBRA '93 annual Compensation limit in effect for that prior determination period. For this purpose, for determination periods beginning before the first day of the first Plan Year beginning on or after January 1, 1994, the OBRA '93 annual Compensation limit is $150,000."

4. The second sentence of Section 1.15 of the Plan is hereby amended, effective as of January 1, 1994, to read as follows:

"In no event shall the Earnings taken into account for an Employee under the Plan for any Plan Year exceed (a) $200,000 (or such greater amount provided pursuant to Section 401(a)(17) of the Code), in Plan Years commencing on and after January 1, 1989 and prior to January 1, 1994."

5. Section 1.15 of the Plan is further amended, effective January 1, 1994, by designating the first paragraph as subsection (a) and adding new subsections (b) through (d) to read as follows:

"(b) In addition to other applicable limitations set forth in the Plan and notwithstanding any other provision of the Plan to the contrary, for Plan Years beginning on or after January 1, 1994, the annual Earnings of each Participant taken into account under the Plan shall not exceed the OBRA '93 annual Compensation limit. The OBRA '93

annual Compensation limit is $150,000, as adjusted by the Commissioner for increases in the cost of living in accordance with Section 401(a)(17)(B) of the Code. The cost-of-living adjustment in effect for a calendar year applies to any period, not exceeding 12 months, over which Earnings are determined (determination period) beginning in such calendar year. If a determination period consists of fewer than 12 months, the OBRA '93 annual Compensation limit will be multiplied by a fraction, the numerator of which is the number of months in the determination period, and the denominator of which is 12.

(c) For Plan Years beginning on or after January 1, 1994, any reference in this Plan to the limitation under Section 401(a)(17) of the Code shall mean the OBRA '93 annual Compensation limit set forth in this provision.

(d) If Earnings for any prior determination period are taken into account in determining a Participant's benefits accruing in the current Plan Year, the Earnings for that prior determination period are subject to the OBRA '93 annual Compensation limit in effect for that prior determination period. For this purpose, for determination periods beginning before the first day of the first Plan Year beginning on or after January 1, 1994, the OBRA '93 annual Compensation limit is $150,000."

6. Section 1.23 of the Plan is hereby amended, effective as of August 5, 1993, by amending subsection (c)(ii) to read as follows:

"(ii) in the case of Hours referred to in subsections (b) above and (d) below, for the computation period or periods in which the period during which no duties are performed occurs;"

7. Section 1.23 of the Plan is further amended, effective as of August 5, 1993, by adding a new subsection (d) immediately following the paragraph designated as subsection (c), to read as follows:

"(d) Solely for purposes of determining an Employee's eligibility to participate in the Plan under Sections 2.1 and 2.2, Hours of Service shall include an approved leave of absence granted by an Employer to the Employee on or after August 5, 1993 pursuant to the Family and Medical Leave Act, if the Employee returns to work for an Employer at the end of such leave of absence."

8. Section 1.23 of the Plan is further amended, effective as of August 5, 1993, by inserting into the second sentence of the final paragraph thereof the words "or (d)" after the word "(b)".

9. Section 1.50 of the Pan is amended, effective as of August 5, 1993, by adding a new paragraph (vi) at the end thereof to read as follows:

"(vi) Notwithstanding anything to the contrary in the Plan, Vesting Service shall include any period of time during which an Employee is on an approved leave of absence granted by an Employer to the Employee on or after August 5, 1993 pursuant to the Family and Medical Leave Act, if the Employee returns to work for an Employer at the end of such leave of absence."

10. Section 6.8 of the Plan is hereby amended, effective as of October 27, 1993, by redesignating subsections (g), (h) and (i) as subsections (h), (i) and (j), and inserting a new subsection (g) to read as follows:

"(g) Each Participant who was employed by the Counselor Borg Scale Company on October 27, 1993 shall be fully vested in the Adjusted Balance of his Matching Contributions Account as of October 27, 1993."

11. Subsection 6.8(h) of the Plan (as resdesignated pursuant to Item 10 above) is amended, effective as of October 27, 1993, by deleting the words "(b) or (f)" and inserting "(b), (f) or (g)" in lieu thereof.

12. Section 7.5 of the Plan is amended, effective with respect to distributions made on and after January 1, 1993, by adding a new subsection 7.5(e) to read as follows:

"(e) If a distribution is one to which Sections 401(a)(11) and 417 of the Code do not apply, such distribution may commence less than 30 days after the notice required under section 1.411(a)-11(c) of the Income Tax Regulations is given, provided that:

(i) the Committee clearly informs the Participant that the Participant has a right to a period of at least 30 days after receiving the notice to consider the decision of whether or not to elect a distribution (and, if applicable, a particular distribution option), and

(ii) the Participant, after receiving the notice, affirmatively elects a distribution."

13. Subsection 8.4(b)(iii) of the Plan is hereby amended to read as follows:

"(iii) the employment of the borrowing Participant with all Employers is terminated for any reason and the

Participant does not become a Former Participant (except to the extent inconsistent with Section 401(a) of the Code); provided, however, that in the case of a Participant who terminates employment with an Employer but immediately commences employment with the purchaser of substantially all of the stock or assets of such Employer and continues employment with such purchaser, any such unpaid balance shall become due and payable pursuant to this subsection (b) upon the expiration of a reasonable period of time (as prescribed by the Committee) following the purchase of the Employer's stock or assets. During such period, the Participant shall continue to make payments of the principal and interest through payroll deductions pursuant to subsection 8.3(v) of the Plan, or by such other method deemed appropriate by the Committee."

14. Subsection 14.2(a) of the Plan is hereby amended, effective as of January 1, 1994, by adding two new sentences thereto to read as follows:

"In no event shall the Compensation taken into account for a Participant under the Plan for any Plan Year exceed (a) $200,000 (or such greater amount provided pursuant to Section 401(a)(17) of the Code), in Plan Years commencing on and after January 1, 1989 and prior to January 1, 1994. For Plan Years commencing on and after January 1, 1994, subsections 1.14(b) through (d) shall apply with respect to Compensation for purposes of this Article XIV."

IN WITNESS WHEREOF, the Company has caused this First Amendment to the Plan to be executed on its behalf by its duly authorized officer as of this 22nd day of February, 1994.

NEWELL OPERATING COMPANY

By: _____

Title _____

SECOND AMENDMENT TO THE
NEWELL LONG TERM SAVINGS AND INVESTMENT PLAN
(AS AMENDED AND RESTATED EFFECTIVE MAY 1, 1993)

WHEREAS, Newell Operating Company, a Delaware corporation, (the "Company") maintains the Newell Long-Term Savings and Investment Plan, as Amended and Restated Effective May 1, 1993 (the "Plan"); and

WHEREAS, the Company has reserved the right to amend the Plan and now deems it appropriate to do so;

NOW, THEREFORE, the Plan is hereby amended, effective as of the dates set forth herein, and with respect to each Employee who earns an Hour of Service on or after the applicable effective date, except where otherwise specifically indicated:

1. Section 1.1 of the Plan is hereby amended to read as follows:

"Account" means all or any one of the Savings Account, Matching Contributions Account, Transfer Account, Rogers Account, Anchor Account, Intercraft Account and/or Levolor Account maintained by the Trustee for an individual Participant, surviving Spouse or Beneficiary.

2. Section 1.3 of the Plan is hereby amended to read as follows:

"Adjusted Balance" means the balance in a Participant's Savings Account, Matching Contributions Account, Transfer Account, Rogers Account, Sanford Account, Anchor Account, Intercraft Account or Levolor Account.

3. The first sentence of Section 1.19 of the Plan is hereby amended, effective as of May 1, 1993, to read as follows:

"Employee" means an individual who is employed by an Employer on or after January 1, 1989 and who is in a covered classification of Employees, as listed on Appendix A hereto; provided that "Employee" does not include any individual covered under the terms and conditions of a collective bargaining agreement to which any Employer is a party, unless such agreement provides for the participation of such individual.

4. The second sentence of Section 1.45 of the Plan is hereby amended to read as follows:

In no event shall Transfer Accounts include amounts held in the Anchor Account, the Rogers Account, the Sanford Account, the Intercraft Account or the Levolor Account.

5. Section 1.50 of the Plan is hereby amended by adding new paragraphs (e) and (f) immediately following paragraph (d) to read as follows:

(e) for an Employee who was a participant in an Intercraft Plan, all service, if any, of an Employee with Intercraft Corporation, or any entity that would satisfy the definition of Affiliated Employer if Intercraft Corporation were the Company, counted from the date on which the Employee first commenced employment and ending on December 31, 1993.

(f) for an Employee who was a participant in the Levolor Plan, all service, if any, of an Employee with Levolor Corporation, or any entity that would satisfy the definition of Affiliated Employer if Levolor Corporation were the Company, counted from the date on which the Employee first commenced employment and ending on September 30, 1994.

6. Section 1.50 of the Plan is hereby further amended by redesignating paragraphs (v) and (vi) as paragraphs (vii) and (viii) and adding new paragraphs (v) and (vi) immediately following subsection (iv) to read as follows:

(v) If a Participant's employment under an Intercraft Plan terminated prior to January 1,1994 and recommences with the Company or an Affiliated Employer on or after January 1, 1994, the consequences of his absence from employment shall be determined under the rules regarding Break in Service contained in the Plan and not under the terms of the Intercraft Plan.

(vi) If a Participant's employment under the Levolor Plan terminated prior to October 1, 1994 and recommences with the Company or an Affiliated Employer on or after October 1, 1994, the consequences of his absence from employment shall be determined under the rules regarding Break in Service contained in the Plan and not under the terms of the Levolor Plan.

7. Article I of the Plan is hereby amended by adding the following definitions thereto:

1.53 "Intercraft Account" means the record of money and assets held by the Trustee for an individual Participant, Surviving Spouse or Beneficiary pursuant to the provisions of the Plan, derived from account balances of the accounts held under the Intercraft Profit Sharing Plan and the Intercraft Retirement Program as of December 31, 1993. The Intercraft Account shall consist of sub-accounts corresponding to the various sub-accounts maintained under the Intercraft Profit Sharing Plan and the Intercraft Retirement Program.

1.54 "Intercraft Plan" means the Intercraft Company Employees' Profit Sharing and Variable Investment Plan, as Amended and Restated Effective January 1, 1989, including amendments thereto (the "Intercraft Profit Sharing Plan"), and/or the Intercraft Industries Retirement Program, as Amended and Restated Effective September 1, 1990, including amendments thereto (the "Intercraft Retirement Program").

1.55 "Levolor Account" means the record of money and assets held by the Trustee for an individual Participant, Surviving Spouse or Beneficiary pursuant to the provisions of the Plan, derived from account balances of the accounts held under the Levolor Plan as of September 30, 1994. The Levolor Account shall consist of sub-accounts corresponding to the various sub-accounts maintained under the Levolor Plan.

1.56 "Levolor Plan" means the Levolor Profit Sharing and 401(k) Plan, as Amended and Restated Effective September 1, 1990, including amendments thereto.

8. Section 2.1 of the Plan is hereby amended by adding a new paragraph (d) to read as follows:

(d) Notwithstanding the above, (i) each Employee who was employed by Intercraft Corporation on December 31, 1993 shall become an Eligible Employee on January 1, 1994; and (ii) each Employee who was employed at the Levolor division of the Company on September 30, 1994 shall become an Eligible Employee on October 1, 1994.

9. Section 3.6(b) of the Plan is hereby amended, effective as of January 1, 1994, to read as follows:

(b) Notwithstanding anything to the contrary contained elsewhere in the Plan, if a Participant's Earnings Deferral Contributions are returned pursuant to (a) above, any Matching Contributions attributable thereto shall be forfeited and shall be used as described in Section 6.10.

10. The first sentence of Section 6.1 is hereby amended to read as follows:

The Committee shall create and maintain a separate Savings Account, Matching Contributions Account, Transfer Account, Rogers Account, Sanford Account, Anchor Account, Intercraft Account and Levolor Account for each Participant, as shall be needed.

11. Section 6.8 of the Plan is hereby amended by redesignating paragraphs (h), (i) and (j) as paragraphs (j), (k) and (l) and inserting new paragraphs (h) and (i) thereto to read as follows:

(h) Each Participant who was a participant in an Intercraft Plan shall at all times be fully vested in the Adjusted Balance of his Intercraft Account.

(i) Each Participant who was a participant in the Levolor Plan shall at all times be fully vested in the Adjusted Balance of his Levolor Account.

12. Article VI of the Plan is hereby amended by adding a new Section 6.13 to read as follows:

6.13 ACCOUNTS TRANSFERRED FROM AN INTERCRAFT PLAN. If a Participant who was a participant in an Intercraft Plan prior to January 1, 1994 has accounts transferred from the Intercraft Plan to this Plan by reason of the merger of the Intercraft Plan as of January 1, 1994, such transferred accounts, and the earnings and losses allocable thereto, shall be held in the Intercraft Account established in the Participant's name under the Trust.

13. Article VI is hereby further amended by adding a new Section 6.14 to read as follows:

6.14 ACCOUNTS TRANSFERRED FROM THE LEVOLOR PLAN. If a Participant who was a participant in the Levolor Plan prior to October 1, 1994 has accounts transferred from the Levolor Plan to this Plan by reason of the merger of the Levolor Plan as of October 1, 1994, such transferred accounts, and the earnings and losses allocable thereto, shall be held in the Levolor Account established in the Participant's name under the Trust.

14. The first sentence of Section 7.4 of the Plan is hereby amended by inserting immediately after the words "Rogers Account" the words ", Intercraft Account, Levolor Account".

15. The first sentence of Section 7.5 of the Plan is hereby amended by inserting immediately after the words "Rogers Account" the words ", Intercraft Account, Levolor Account".

16. Section 7.5 of the Plan is hereby further amended by adding a new paragraph (f) to read as follows:

(f) A Participant who entered the Levolor Plan prior to September 1, 1990 and for whom a Levolor Account has been established under the Plan may elect to have the Adjusted Balance of the portion of such Levolor Account attributable to employer profit sharing contributions paid either pursuant to paragraph (g) below or in the form of a paid-up annuity policy.

17. Section 7.5 of the Plan is further amended by adding a new paragraph (g) to read as follows:

(g) Notwithstanding the above, the following provisions of this paragraph (g) apply with respect to the Adjusted Balance of (i) the portion of a Participant's Intercraft Account held under the Intercraft Retirement Program, and (ii) the portion of a Participant's Levolor Account referred to in paragraph (f) above, in the case of a Participant who elects payment of such portion in the form of an annuity pursuant to paragraph (f) above:

(i) Payment for reasons other than death.

(A) Upon termination of a Participant's employment with all Employers for any reason other than death, the Committee shall direct the Trustee to pay such portion as follows:

(I) If the Participant has a Spouse at the date payments to him are to commence, such amount shall be payable to the Participant in the form of a Joint and Survivor Annuity. However, the Participant, with the consent of his Spouse, may elect during the Election Period to waive payment in the form of a Joint and Survivor Annuity pursuant to subsection (i)(B) below and elect payment of such portion in a method described in Section 7.5(a) and (d) above. For purposes of this subsection (i), the term "Joint and Survivor Annuity" means an annuity payable to the Participant for his life, with a survivor annuity payable to his Spouse for the life of such Spouse commencing on the first day of the month immediately following the date of death of the Participant, in an amount equal to one-half of the amount payable during the life of the Participant.

(II) If the Participant does not have a Spouse at the date payments to him are to commence, such portion shall be payable to him in the form of a Single Life Annuity. However, the Participant may elect during the Election Period to waive payment in the form of a Single Life Annuity pursuant to subsection (i)(B) below and elect payment of such portion in a method described in Section 7.5(a) and (d) above. For purposes of this paragraph (i), the term "Single Life Annuity" means an annuity payable to the Participant for his life.

(B) Within a reasonable time prior to the commencement of payments to a Participant under the Plan, the Committee shall give the Participant

a written notice, in nontechnical terms, of his right to waive payment of such portion in the form of a Joint and Survivor Annuity or Single Life Annuity, as the case may be, pursuant to paragraph (i)(A) and of his right to elect the method of such payment as described in Section 7.5(a) and (d) above. Such notice shall include a description of (I) the terms and conditions of the Joint and Survivor Annuity or Single Life Annuity, whichever is applicable, (II) the Participant's right to make, and the effect of making, an election to waive the Joint and Survivor Annuity or Single Life Annuity, (III) the right of the Participant's Spouse, if any, not to consent to such an election, (IV) the right to make, and the effect of, a revocation of such an election, and (V) the methods of payment pursuant to Section 7.5(a) and (d) above. A Participant may elect at any time during the Election Period to waive the Joint and Survivor Annuity or Single Live Annuity, as the case may be, and to elect a method of payment described in Section 7.5(a) and (d) above. For purposes of this subsection (i), the term "Election Period" means the ninety-day period ending on the earliest date with respect to which payments to the Participant commence. Any election pursuant to this paragraph (i) may be modified or revoked during the Election Period and shall be automatically revoked if the Participant dies before payments commence.

(C) Any election by a married Participant to waive payment in the form of a Joint and Survivor Annuity shall not take effect unless the Participant's Spouse consents in writing to the election and such consent acknowledges the effect of the election. Such a consent must acknowledge the effect of the election and the identity of any non-Spouse Beneficiary, including any class of Beneficiaries or contingent Beneficiaries, designated to receive any installments remaining unpaid at the date of his death, and must be witnessed by a representative of the Plan or a notary public. The consent of a Participant's Spouse shall not be required if the Participant establishes to the satisfaction of the Committee that consent may not be obtained because there is no Spouse or the Spouse cannot be located, or because of such other circumstances as the Secretary of the Treasury may prescribe by regulations. Any designation by a Participant of a new Beneficiary or alternate method of payment shall not take effect unless the Participant's Spouse, if any, consents to the new designation

pursuant to the procedures set forth in the preceding sentence or unless the Spouse's consent permits the Participant to change the designation of his Beneficiary or the method of payment without the Spouse's consent. A Spouse's consent shall be irrevocable.

(ii) Payment By Reason of Death.

(A) Upon the death of a Participant prior to commencement of payment of such portion to him, the Committee shall direct the Trustee to pay such amount as follows:

(I) If the Participant has a Spouse at the date of his death, the Adjusted Balance of such portion shall be payable to his Spouse as a Preretirement Survivor Annuity. However, the Participant, with the consent of his Spouse, may elect during the Election Period to waive the Preretirement Survivor Annuity pursuant to (ii)(B) below and elect payment of such portion in a method described in Section 7.5(a) and (d) above. For purposes of this paragraph (ii), the term "Preretirement Survivor Annuity" means an annuity payable for the life of the Participant's Spouse, commencing on the first day of the month after the date of death of the Participant.

(II) If a Participant does not have a Spouse at the date of his death, such portion shall be payable to his Beneficiary in any of the ways set forth in Section 7.5(a) above as the Participant shall elect by written notice delivered to the Committee during the Election Period.

(B) The Committee shall provide each married Participant with a written explanation of the Preretirement Survivor Annuity. The explanation shall be provided to each such Participant as soon as may be practicable after his date of employment. If the employment of the Participant with the all Employers terminates prior to the date of his death and he is then reemployed, he must receive such written explanation as soon as practicable after the date of reemployment. Such notice shall include a description of (I) the terms and conditions of the Preretirement Survivor Annuity, (II) the Participant's right to make, and the effect of, an election to waive the Prepretirement Survivor Annuity and to designate a beneficiary to receive the adjusted balances in his accounts, (III) the rights of the Participant's spouse not to consent to such an election, (IV) the right to make, and the effect of, the revocation of such an election, and (V) the methods of payment pursuant to paragraph (iv) below. A Participant may elect at any time during

the Election Period to waive the Preretirement Survivor Annuity, if applicable, and to elect a method of payment described in Section 7.5(a) and (d) above. For purposes of this subsection (ii), the term "Election Period" means the period that begins on the date on which the Participant receives the aforementioned explanation and ends on the date of the eParticipant's death. Any election pursuant to this subsection (ii) may be modified or revoked during the Election Period..

(C) Any election by a married Participant to waive payment in the event of his death in the form of a Preretirement Survivor Annuity and to designate a non-Spouse Beneficiary shall not take effect unless the Participant's Spouse consents in writing to the election and designation prior to the Participant's death. The Spousal consent provisions described in (i)(C) above shall apply.

18. Section 7.9 of the Plan is hereby amended, effective as of May 1, 1993, by designating the current provisions as paragraph (a) and adding a new paragraph (b) to read as follows:

(b) A participant for whom a Sanford Account has been established under the Plan and who has demonstrated the existence of a Hardship (as defined in paragraph 7.7(j)) may elect a withdrawal from his Sanford Account; provided, however, that in the case of any Hardship withdrawal, the amount withdrawn pursuant to this paragraph shall be made in accordance with paragraphs 7.7(i) and (k) and shall in no event exceed the amount necessary to relieve the Hardship.

19. The Plan is hereby further amended by redesignating Sections 7.11-7.14 as Sections 7.13-7.16 and adding new Sections 7.11 and 7.12 to read as follows:

7.11 WITHDRAWALS FROM INTERCRAFT ACCOUNT. (a) A Participant for whom an Intercraft Account has been established under the Plan and who is at least 59-1/2 may elect to withdraw all or any portion of his Intercraft Account, other than those amounts in the Intercraft Account attributable to (i) discretionary employer contributions made pursuant to Section 4.1 of the Intercraft Profit Sharing Plan and (ii) contributions made under the Intercraft Retirement Program. Such withdrawal shall be effective as of the first day of any month if written notice is received by the Committee no later than the fifteenth day of the preceding month.

(b) A Participant for whom an Intercraft Account has been established under the Plan and who has demonstrated the existence of a Hardship (as defined in paragraph 7.7(j)) may elect a withdrawal from his Intercraft Retirement Program; provided, however, that in the case of any Hardship withdrawal, the amount withdrawn pursuant to this paragraph shall be made in accordance with paragraphs 7.7(i) and (k) and shall in no event exceed the amount necessary to relieve the Hardship.

(c) A Participant for whom an Intercraft Account has been established under the Plan and who is at least 65 may elect to withdraw all or any portion of his Intercraft Plan attributable to discretionary employer contributions made pursuant to Section 4.1 of the Intercraft Profit Sharing Plan. Such withdrawal shall be effective as of the first day of any month if written notice is received by the Committee no later then the fifteenth day of the preceding month.

7.12 WITHDRAWALS FROM LEVOLOR ACCOUNT. (a) A Participant for whom a Levolor Account has been established under the Plan and who is at least 59-1/2 may elect to withdraw all or any portion of his Levolor Account, other than those amounts in the Levolor Account attributable to discretionary employer contributions made under the Levolor Plan. Such withdrawal shall be effective as of the first day of any month if written notice is received by the Committee no later than the fifteenth day of the preceding month.

(b) A Participant for whom a Levolor Account has been established under the Plan and who has demonstrated the existence of a Hardship (as defined in paragraph 7.7(j)) may elect a withdrawal from his Levolor Account; provided, however, that in the case of any Hardship withdrawal, the amount with withdrawn pursuant to this paragraph shall be made in accordance with paragraphs 7.7(i) and (k) and shall in no event exceed the amount necessary to relieve the Hardship.

(c) A Participant for whom a Levolor Account has been established under the Plan and who is at least 65 may elect to withdraw all or any portion of his Levolor Plan attributable to discretionary employer contributions made under the Levolor Plan. Such withdrawal shall be effective as of the first day of any month if written notice is received by the Committee no later than the fifteenth day of the preceding month.

20. The first sentence of Section 7.13(a) (as redesignated) of the Plan is hereby amended to read as follows:

In the event a Participant requests to receive a distribution pursuant to Sections 7.6, 7.7, 7.8, 7.9, 7.10, 7.11, or 7.12, and the distribution is approved if necessary, the distribution shall be paid to the Participant as soon as is reasonably practicable upon receipt of the written request for such distribution.

21. Section 7.13(b) (as redesignated) is hereby amended to read as follows:

(b) A Participant may not make more than one withdrawal per Plan Year pursuant to each of Section 7.6, 7.7, 7.8, 7.9, 7.10, 7.11 or 7.12.

22. The first clause of the first sentence of Section 7.16 (as redesignated) is hereby amended to read as follows:

Notwithstanding anything to the contrary contained elsewhere in the Plan, a Participant's Savings Account, that portion of his Anchor Account attributable to Basic Employer Contributions and Voluntary Employer Contributions (as defined in the Anchor Plan), that portion of his Rogers Account attributable to elective deferrals (within the meaning of the Rogers Plan), that portion of his Sanford Account attributable to elective deferrals (within the meaning of the Sanford Plan), that portion of his Intercraft Account attributable to elective deferrals (within the meaning of the Intercraft Profit Sharing Plan) and that portion of his Levolor Account attributable to elective deferrals (within the meaning of the Levolor Plan) shall not be distributable other upon:

23. Subsection 7.16(f) (as redesignated) is hereby amended to read as follows:

(f) the Participant's Hardship (in the case of a distribution from a Participant's Anchor Account, Sanford Account, Intercraft Account and Levolor Account).

24. The final sentence of Subsection 8.4(e) is hereby amended, effective as of May 1, 1993, to read as follows:

If no such allocation direction was in effect at any time, such payment shall be allocated on a pro rata basis to each of the Investment Funds described in the schedule attached to the Trust Agreement.

25. Section 11.1 of the Plan is hereby amended to read as follows:

11.1 INVESTMENT FUNDS. The Adjusted Balance of each Participant's Savings Account, Transfer Account, Matching Contributions Account, Rogers Account, Sanford Account, Anchor Account, Intercraft Account and Levolor Account shall be invested in the various Investments Funds described in the schedule attached to the Trust Agreement.

26. The first sentence of Section 11.3(c) of the Plan is hereby amended to read as follows:

Each Participant shall have the right to direct that the portion of his Savings Account, Transfer Account, Matching Contributions Account, Rogers Account, Sanford Account, Anchor Account, Intercraft Account and Levolor

Account held in any one Investment Fund be transferred, in whole or in part, to any other Investment Fund.

27. Article XI of the Plan is hereby amended by redesignating Section 11.8 as Section 11.10 and adding new Sections 11.8 and 11.9 to read as follows:

11.8 INVESTMENT OF INTERCRAFT ACCOUNT. (a) Within a reasonable time prior to the transfer of assets from the Intercraft Plan, each Participant who was expected to have an Intercraft Account established under the Plan was given the opportunity to direct that his Intercraft Account be invested, in specified multiples of ten percent (10%), in any of the Investment Funds.

(b) Each Participant for whom an Intercraft Account has been established shall have the right to direct a transfer of amounts held in any one Investment Fund to any other Investment Fund in accordance with the provisions of Section 11.3(c).

11.9 INVESTMENT OF LEVOLOR ACCOUNT. (a) Within a reasonable time prior to the transfer of assets from the Levolor Plan, each Participant who was expected to have an Levolor Account established under the Plan was given the opportunity to direct that his Levolor Account be invested, in specified multiples of ten percent (10%), in any of the Investment Funds.

(b) Each Participant for whom a Levolor Account has been established shall have the right to direct a transfer of amounts held in any one Investment Fund to any other Investment Fund in accordance with the provisions of Section 11.3(c).

28. Appendix A of the Plan is hereby amended, as set forth in the form attached hereto.

Unless otherwise indicated, the amendments set forth above pertaining specifically to the Intercraft Plan and Levolor Plan are effective as of January 1, 1994 with respect to the Intercraft Plan and October 1, 1994 with respect to the Levolor Plan

IN WITNESS WHEREOF, the Company has caused this Second Amendment to the Plan to be executed on its behalf by its duly authorized officer as of this 29th day of December, 1994.

NEWELL OPERATING COMPANY

By: ----------

Title ----------

THIRD AMENDMENT TO THE
NEWELL LONG TERM SAVINGS AND INVESTMENT PLAN
(AS AMENDED AND RESTATED EFFECTIVE MAY 1, 1993)

WHEREAS, Newell Operating Company, a Delaware corporation, (the "Company") maintains the Newell Long-Term Savings and Investment Plan, as Amended and Restated Effective May 1, 1993 (the "Plan"); and

WHEREAS, the Company has reserved the right to amend the Plan and now deems it appropriate to do so;

NOW, THEREFORE, the Plan is hereby amended, effective with respect to (i) Plan Years commencing September 1, 1990 and ending December 31, 1993; and (ii) Plan Years commencing on and after January 1, 1995, as follows:

Section 1.15 of the Plan is hereby amended by inserting a second sentence immediately following the first sentence thereof to read as follows:

> Notwithstanding the preceding sentence, solely for purposes of determining a Participant's Actual Deferral Percentage defined in Section 1.2 and a Participant's Contribution Percentage defined in Subsection 4.2(b), Earnings means the amount of total remuneration reportable on U.S. Treasury Department Form W-2 or any successor Form thereof and paid to the Participant by the Company or an Affiliated Employer during the Plan Year.

IN WITNESS WHEREOF, the Company has caused this Third Amendment to the Plan to be executed on its behalf by its duly authorized officer as of this 29th day of December, 1995.

NEWELL OPERATING COMPANY

By: _____

Title _____

NEWELL CO.
DEFERRED COMPENSATION PLAN

SECTION 1 - INTRODUCTION

Effective August 1, 1980, Newell Co. ("Company") established a Deferred Compensation Plan ("Plan") for members of its Board of Directors ("Board") and for certain key executives of the Company and its affiliates and subsidiaries. The Plan is amended and restated, effective January 1, 1997, to read as set forth below.

SECTION 2 - PLAN PARTICIPANTS

Each member of the Board, and each employee of the Company or an affiliate who has been approved for participation in the ROA Cash Bonus Plan, effective January 1, 1977, as amended from time to time, or the revised ROI Cash Bonus Plan, as revised effective January 1, 1986, as amended from time to time ("collectively the "Cash Bonus Plans") shall be eligible to be participate in the Plan. Each eligible member of the Board, and each eligible employee who participates in a Cash Bonus Plan, may elect to become a Participant under the Plan by filing the written deferral election described in Section 3 below.

SECTION 3 - DEFERRAL ELECTIONS

(a) Each Participant who is a member of the Board may elect to defer annually the established retainer and meeting fee ("Director's Fee"), or a portion thereof, for each month that such individual acts as a member of the Board. Each Participant who is a participant in a Cash Bonus Plan may elect to defer annually the receipt of all or any portion of his bonus award under a Cash Bonus Plan or any other portion of his earnings in excess of his base salary ("Bonus"). Any amount deferred pursuant to the Plan shall be recorded by the Company in a deferred compensation account ("Account") maintained in the name of the Participant, which Account shall be credited on each date for payment of the amount deferred, in accordance with the Company's normal practices, with a dollar amount equal to the total amount deferred as of such date.

(b) The Company shall furnish each Participant with a statement of his Account no less frequently than annually. The Company shall

also credit an Account with earnings on investment of amounts credited to the Account from the date received, pursuant to the provisions of Section 4 below, until final distribution of the Account pursuant to Section 5 below. The amount a Participant elects to defer under the Plan will remain constant until suspended or modified by the filing of another deferral election with the Company by a Participant in accordance with paragraph (d) below.

(c) The Vice President, Personnel Relations of the Company shall send to each eligible Participant an election form pursuant to which he may elect to defer all or a portion of his Director's Fee or Bonus as described above. The election form shall specify the amount or percentage of the Director's Fee or Bonus to be deferred. The election form shall be signed by the Participant and delivered to the Vice President, Personnel Relations of the Company prior to January 1 of the calendar year in which the Director's Fee or Bonus to be deferred is otherwise payable to the Participant.

(d) Deferral elections shall remain in effect from year to year unless written notice to suspend or change a deferral election is submitted to the Vice President, Personnel Relations on or before December 31 of the calendar year prior to the calendar year in which the change is to become effective. Except as provided in paragraph (e) below, a new or revised deferral election shall only apply to a Director's Fee or a Bonus otherwise payable to a Participant after the end of the calendar year in which such election is delivered to the Vice President, Personnel Relations. Any deferral election made by a Participant shall be irrevocable with respect to any Director's Fee or Bonus covered by the election, including a Director's Fee or Bonus payable in the calendar year in which the election suspending or changing the prior election is delivered.

(e) Notwithstanding the preceding provisions of this Section, a deferral election made by a Participant in the calendar year in which he first becomes eligible to participate in the Plan may be made within 30 days after the date on which he initially becomes eligible to participate, and such election shall be effective with respect to a Director's Fee or Bonus earned from after the date such election is delivered to the Vice President, Personnel Relations.

SECTION 4 - INVESTMENT OF ACCOUNTS

(a) Amounts credited to each Account prior to January 1, 1997, shall earn interest at a rate based on the yield rate of U.S. Treasury Bills as quoted in the Midwest Edition of The Wall Street Journal. Interest rates shall be accrued and compounded quarterly based on the weighted average for the quarter.

(b) Amounts credited to each Account from and after January 1, 1997, shall earn interest at a fixed rate of 10% per annum. Such interest shall be accrued and compounded quarterly.

SECTION 5 - DISTRIBUTION OF ACCOUNTS

(a) A Participant may request a distribution of all or any portion of the amount that has been credited to his Account for at least 36 months as of the date such distribution is made to the Participant, including earnings thereon credited pursuant to Section 4 as of the last day of the calendar month prior to the date of distribution. Payment shall be made in a lump sum on the date 12 months after the date such request for distribution is delivered to the Vice President, Personnel Relations of the Company. If a Participant who makes such a request terminates service on the Board, or service with the Company or any affiliate, for any reason, including death, during such 12- month period, such request shall be null and void and of no effect.

(b) In the written discretion of the Company, and at the written request of a Participant, an amount up to 100% of the amount credited to his Account, including earnings thereon credited pursuant to Section 4 as of the last day of the calendar month prior to the date of distribution, may be distributed to a Participant in a lump sum in the case of an "Unforeseeable Emergency," subject to the limitations set forth below. For purposes of this paragraph, an Unforeseeable Emergency is a severe financial hardship of the Participant resulting from a sudden and unexpected illness or accident of the Participant or of a dependent (as defined in Section 152(a) of the Internal Revenue Code of 1986, as amended) of the Participant, loss of the Participant's property due to casualty, or other similar, extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. The circumstances that will constitute an Unforeseeable Emergency will depend upon the facts of each case, but in any case, payment may not be made to the extent that such hardship is or may be relieved:

(i) through reimbursement or compensation by insurance or otherwise;

(ii) by liquidation of the Participant's assets to the extent the liquidation of such assets would not itself cause severe financial hardship; or

(iii) by cessation of deferrals under the Plan.

Examples of what shall not be considered to be Unforeseeable Emergencies include the need to send a Participant's child to college, or the desire to purchase a residence. Withdrawal of amounts because of an Unforeseeable Emergency shall be permitted only to the extent reasonably needed to satisfy the Unforeseeable Emergency.

(c) Upon the termination of service on the Board, or the termination of employment with the Company and all affiliates, for any

reason other than death, a Participant will be entitled to receive distribution of all amounts credited to his Account.

(d) Upon termination of service on the Board, or termination of employment with the Company and all affiliates, by reason of a Participant's death, all amounts credited to the Participant's Account will be distributed to his beneficiary or beneficiaries last designated by written instrument filed with the Vice President, Personnel Relations of the Company. Each Participant shall designate a beneficiary or beneficiaries, and may change such designation from time to time, pursuant to a written designation filed with the Vice President, Personnel Relations on a form provided by the Company. If no beneficiary or beneficiaries designated by the Participant survives him, the balance credited to his Account as of the date of his death will be paid to his surviving spouse, or if none, to his surviving descendants, per stirpes, or if none, to the legally appointed representative of his estate, or if none is appointed within six months of the date of his death, to his heirs at law pursuant to the laws of the state in which he is domiciled at the date of his death.

(e) The Company, in its discretion, shall direct distribution of the amounts credited to a Participant's Account, including earnings credited thereon pursuant to Section 4 as of the last day of the calendar month prior to the date of distribution, to a Participant or his beneficiary or beneficiaries pursuant to paragraphs (c) and (d) of this Section, either (i) in a lump sum, or (ii) in installments over a period not to exceed 15 years as the Company shall determine. The Company shall determine the method of distribution, and the number of installments, if any, after considering, but not being bound by, the request of the Participant or his beneficiary or beneficiaries.

(f) Distributions pursuant to paragraph (e) of this Section shall be made or commence within the ten year period commencing on:

(i) the date upon which the Participant's service on the Board, or employment with the Company and its affiliates, terminates prior to death; or

(ii) the date of the Participant's earlier death.

The Company shall determine the date on which distributions shall be made or commence pursuant to this paragraph (f), after considering, but not being bound by, the request of the Participant or his beneficiary or beneficiaries. Subsequent installments, if any, shall be made on the annual, quarterly or monthly anniversary date, of the first installment as determined by the Company. Each such installment, if any, shall include earnings credited to the balance of the Participant's Account pursuant to Section 4.

(g) During his period of service on the Board, or with the Company or an affiliate, a Participant will acquire knowledge of the affairs of the Company and its affiliates. Therefore, notwithstanding

any other provision of the Plan, if, without the express consent of the Company, a Participant or former Participant accepts employment with, or renders other services to, any entity that is engaged in substantial competition with the Company or any of its affiliates, such Participant's Account shall be paid to him as soon as practicable thereafter in a lump sum.

SECTION 6 - CHANGE IN CONTROL

Notwithstanding any provision of the Plan, or of a Cash Bonus Plan, from and after the effective date of a Change in Control of the Company, each Participant may, at any time prior to his termination of employment with the Company and all affiliates as an employee, or termination of service on the Board, elect to receive payment in a lump sum of the entire balance of his Account held hereunder, including earnings thereon credited pursuant to Section 4 as of the last day of the calendar month prior to the date of distribution. Any such election shall be made by a Participant pursuant to written notice delivered to the Company at least 10 days prior to the requested date of distribution. For purposes of this Section, a Change in Control of the Company shall be deemed to occur on the earliest of:

(i) The acquisition of beneficial ownership, as that term is defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended, by any entity, person or group, of more than 50% of the outstanding capital stock of the Company entitled to vote for the election of directors ("voting stock");

(ii) The effective time of (A) a merger or consolidation of the Company with one or more other corporations as a result of which the holders of the outstanding voting stock of the Company immediately prior to such merger or consolidation (other than those who are affiliates of such other corporation) hold less than 80% of the voting stock of the surviving or resulting corporation, or (B) a transfer of substantially all of the property of the Company other than to an entity of which the Company owns at least 80% of the voting stock; or

(iii) The election to the Board, without the recommendation or approval of the incumbent Board, of the lesser of (A) three directors or (B) directors constituting a majority of the number of directors of the Company then in office.

SECTION 7 - ADMINISTRATION

The Plan shall be administered by the Vice President, Personnel Relations of the Company who shall, subject to the express provisions

of the Plan, interpret the Plan, proscribe, amend and rescind rules and regulations relating to it, and make such other determinations as he deems necessary and advisable for the administration of the Plan. The decisions of the Vice President, Personnel Relations under the Plan shall be conclusive and binding, and he shall not be liable for any action taken or determination made hereunder in good faith.

SECTION 8 - GENERAL PROVISIONS

(a) The right of a Participant or his designated beneficiary to receive a distribution hereunder shall be an unsecured claim against the general assets of the Company, and neither the Participant nor his designated beneficiary shall have any rights in or against any amount credited to his Account or any other specific assets of the Company or any affiliate. All amounts credited to an Account shall constitute general assets of the Company and may be disposed of by the Company at such time and for such purposes it may deem appropriate.

(b) Whenever a person entitled to a payment under the Plan is under legal disability, or, in the opinion of the Company, is in any way incapacitated so as to be unable to manage his financial affairs, the Company may direct that payment be made to such person's relative by blood or marriage or friend, for the benefit of such person. Any payment made in accordance with the preceding sentence shall be in complete discharge of the Company's obligation to make such payment under the Plan.

(c) No benefit payable under the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge prior to actual receipt thereof by the payee; and any attempt to so anticipate, alienate, sell, transfer, assign, pledge, encumber or charge prior to such receipt shall be void; and neither the Company nor the benefits payable under the Plan shall be liable in any manner for, or subject to, the creditors, debts, contracts, liabilities, engagements or torts of any such person.

(d) Any action required or permitted to be taken by the Company under the terms of the Plan shall be taken by affirmative vote of a majority of the members of the Board then in office.

(e) Establishment of the Plan and coverage of any person hereunder shall not be construed to confer upon any person any legal right to be continued in the employ of the Company or any affiliate.

(f) All costs and expenses of administration of the Plan will be paid by the Company.

(g) Any notice or election required or permitted to be given hereunder shall be in writing and shall be deemed to be given:

1. on the date it is personally delivered to the Vice President, Personnel Relations of the Company at its principal business offices; or three business days after sent by registered or certified U.S. mail, addressed to the Vice President, Personnel Relations, at such address, and

2. on the date it is personally delivered to any Participant, beneficiary or any other person, or three business days after it is sent by registered or certified U.S. mail, addressed, to such Participant, beneficiary or other person, at his last known address set forth on the records of the Company.

(h) The Plan shall be construed in accordance with, and governed by, the laws of the State of Illinois.

(i) In the event of a sale of substantially all of the assets of the Company, or a merger, consolidation or a share exchange involving the Company, all obligations of the Company under the Plan shall be binding on the successor to the transaction.

(j) Neither the Company nor any employee or agent thereof shall be liable to any Participant, beneficiary or any other person for any claim, loss, liability or expense incurred in connection with the Plan, except when the same shall have been judicially determined to be due to the gross negligence or willful misconduct of the Company or such employee or agent thereof.

(k) Notwithstanding anything to the contrary contained in the Plan, (i) in the event that the Internal Revenue Service prevails in its claim that amounts credited to an Account, and/or earnings thereon, constitute taxable income to a Participant or his beneficiary for any taxable year of his, prior to the taxable year in which such amounts and/or earnings are distributed to him, or (ii) in the event that legal counsel satisfactory to the Company and the applicable Participant or his beneficiary renders an opinion that the Internal Revenue Service would likely prevail in such a claim, such amounts credited to the Account of such Participant or beneficiary and/or earnings thereon shall be immediately distributed to him. For purposes of this paragraph, the Internal Revenue Service shall be deemed to have prevailed in a claim if such claim is upheld by a court of final jurisdiction, or if the Participant or beneficiary, based upon an opinion of legal counsel satisfactory to the Company and the Participant or his beneficiary, fails to appeal a decision of the Internal Revenue Service, or a court of applicable jurisdiction, with respect to such claim, to an appropriate Internal Revenue Service appeals authority or to a court of higher jurisdiction, within the appropriate time period.

SECTION 9 - AMENDMENTS TO THE PLAN

The Board may amend the Plan at any time, without the consent of the Participants or their beneficiaries; provided, however, that no amendment shall divest any Participant or beneficiary of the credits to his Account, or of any rights to which he would have been entitled, if the Plan had been terminated immediately prior to the effective date of such amendment.

SECTION 10 - TERMINATION OF THE PLAN

The Board may terminate the Plan at any time. Upon termination of the Plan, distribution of the credits to each Participant's Account shall be made in the manner and at the time heretofore prescribed; provided that no additional credits shall be made to the Account of any Participant following termination of the Plan, other than earnings thereon credited pursuant to Section 4.

IN WITNESS WHEREOF, the Company, by its duly authorized officer, has executed this amendment and restatement of the Plan, effective January 1, 1997, on this 27 day of November, 1997.

NEWELL CO.

By_____

EXHIBIT 10.5

REVISED ROI CASH BONUS PLAN

1. Name

Newell Co. ROI Cash Bonus Plan

2. Effective Date of Revision

January 1, 1986

3. Purpose

To provide an incentive for key employees to improve Company performance by making them participants in the financial success of the Company.

4. Definitions

a. The Term "COMPANY" means Newell Co. and its subsidiaries.

b. The term "BOARD" means the Board of Directors or Newell Co.

c. The term "PLAN" means the arrangement described by these specifications to be known as Newell Co. Cash Bonus Plan.

d. The term "PLAN YEAR" means a calendar year of the Company.

e. The term "COMPENSATION" means a Participant's base annual salary earned during a Plan Year while a participant, exclusive of commissions and bonuses.

f. The term "PLAN EARNINGS" means the consolidated income of the Company for a given Plan Year before provisions for awards under this Plan, provisions for awards under division management bonus plans, and before income taxes; and if approved by the Board, any unusual gain or loss arising from a valuation adjustment, or the sale, exchange, or disposition of a fixed asset, or other asset not acquired for sale and not of the type in which the Company or any subsidiary deals; all as determined by a certified public accountant selected by the Company.

g. The term "STOCKHOLDERS EQUITY" means beginning net worth - common stock plus surpluses at the start of the calendar year.

h. The term "COMMITTEE" means the committee named by the Board to administer the Plan.

i. The term "PARTICIPANT" means any key employee of the Company or any of its subsidiaries who has been selected by the Committee as eligible to receive incentive compensation under the Plan.

j. The term "DEFERRED ACCOUNT" means the bookkeeping reserve account on the books of the Company to which deferred incentive awards under this plan are credited.

5. Eligibility and Participation

Employees selected by the Committee as eligible to receive incentive compensation under the Plan shall be participants. (As general guideline, this would include those employees who are at a grade 13 or above level and who have one or more continuous years of service with the Company.)

When the Committee selects an employee to become a Participant under the Plan, it shall designate the date as of which his participation shall begin.

6. Annual Incentive Awards

At the end of each Plan Year when Plan Earnings are in excess of 20% of Stockholders Equity, the incentive compensation to be awarded to each Participant shall be determined by multiplying his compensation for the Plan Year by the appropriate Compensation percentage determined from Tables AA, A and B attached hereto.

7. Plan Limitations

Notwithstanding anything herein to the contrary, for Plan

purposes, no award will be made for a Plan Year to a Participant whose employment terminated during the year unless the termination was due to retirement, disability, death or any other cause approved by the Committee.

8. Payment of Incentive Awards

A Participant's award for a Plan Year under the Plan shall be paid in cash to the Participant, or his beneficiary or beneficiaries in the event of his death, as soon as practical after the end of the Plan Year, unless he elects to have a part or all of the award deferred as provided below.

9. Deferral of Awards

In lieu of receiving an award as provide din Item 8 above, a participant may elect to defer all or part of his bonus in accordance with the Newell Deferred Compensation Plan. Election notices are mailed to all participants in December of each year.

10. Beneficiary Designation

Each person upon becoming a Participant may designate, upon such forms as may be provided for that purpose by the Company in the Plan in the event of his death.

11. Amendments

The Board may either modify or eliminate the Plan if in its judgment such modification or elimination does not materially or adversely affect the best interests of the Company or of the shareholders; provided that such modification or elimination shall not affect the obligation of the Company to pay any contingent compensation after it has been awarded.

12. Employment Rights

Nothing contained in the Plan shall be construed as conferring a right upon any employee to be continued in the employment of the Company.

NEWELL
PENSION PLAN FOR SALARIED AND CLERICAL EMPLOYEES

(As Amended and Restated Effective September 1, 1996)

NEWELL
PENSION PLAN FOR SALARIED AND CLERICAL EMPLOYEES
(As Amended and Restated Effective September 1, 1996)

ARTICLE I

Purpose, Intent and Effective Dates

1.01 PURPOSE. The Company has established and maintains the Newell Pension Plan for Salaried and Clerical Employees to aid its eligible employees to attain a greater degree of post-retirement financial security for themselves and their families.

1.02 INTENT. The Company intends that the Plan, as set forth in this amendment and restatement, and as it may from time to time be further amended, shall constitute a qualified Plan under the provisions of Section 401(a) (and further or successor applicable provisions) of the Code and shall be in full compliance with the provisions of ERISA. The Company intends that the Plan shall continue to be maintained by it for the above purposes indefinitely, subject always, however, to the rights reserved in the Company to amend and terminate as hereinbelow set forth.

1.03 EMPLOYEES TERMINATED PRIOR TO SEPTEMBER 1, 1996. The provisions of the Plan, as Amended and Restated Effective September 1, 1996, shall not be applicable to any employee of the Company or an Affiliated Company whose employment terminated prior to September 1, 1996, except as otherwise provided herein. The rights of any such person to receive benefits, if any, under the Plan and the amount of and conditions under which such benefits shall be payable shall be determined in accordance with the provisions of the Plan or such other retirement plan, if any, as may have been applicable to the employee as in effect on the date of his termination of employment.

ARTICLE II
Definitions

The following terms, when used herein and initially capitalized as below indicated, shall, unless otherwise expressly provided, have the following respective meaning:

"Accrued Benefit" when used in reference to a Participant as of any given date means his Normal Retirement Benefit determined as set forth in Section 4.01 hereof based on Credited Service through

such given date. The Accrued Benefit of a Participant attributable to his own contributions shall be his accumulated contributions with Credited Interest compounded annually to the date of determination, multiplied by ten percent (10%) to convert such amount to an annual benefit under a straight-life annuity without ancillary benefits. Unless otherwise provided under the Plan, each Section 401(a)(17) Employee's Accrued Benefit under this Plan will be the greater of the Accrued Benefit determined for the Employee under (a) or (b) below:

(a) the Employee's Accrued Benefit determined with respect to the benefit formula set forth in Section 4.01, applicable for the Plan Year beginning on January 1, 1994, as applied to the Employee's total years of Credited Service taken into account under the Plan for the purposes of benefit accruals, or

(b) the sum of:

(i) the Employee's Accrued Benefit as of the last day of the last Plan Year beginning before January 1, 1994, frozen in accordance with Section 1.401(a)(4)-13 of the regulations, and

(ii) the Employee's Accrued Benefit determined under the benefit formula set forth in Section 4.01, applicable for the Plan Year beginning on January 1, 1994, as applied to the Employee's total years of Credited Service taken into account under the Plan for Plan Years beginning on or after January 1, 1994, for purposes of benefit accruals.

For purposes of this paragraph (b) an Employee's total years of Credited Service will be considered in determining the 30-year maximum set forth in Section 4.01.

A Section 401(a)(17) Employee means an Employee whose current Accrued Benefit as of a date on or after the first day of the first Plan Year beginning on or after January 1, 1994, is based on Compensation for a year beginning prior to the first day of the first Plan Year beginning on or after January 1, 1994, that exceeded $150,000.

"Actuarial (or Actuarially) Equivalent" or "Actuarial Equivalence" means the equality in value of the aggregate amounts expected to be received under different forms of payment, determined on the basis of the assumptions and methods set forth in Section 5.05 below.

"Actuary" means an actuary who is enrolled by the Joint Board for the Enrollment of Actuaries established under ERISA and who is selected by the Company from time to time to provide the actuarial reports and perform the actuarial services for the Plan.

"Affiliated Company" means: (i) any corporation which is a member of a controlled group of corporations (as defined in Section 414(b) of the Code) which includes the Company; (ii) any trade or business, whether or not incorporated, which is under common control (as defined in Section 414(c) of the Code) with the Company; and (iii) any member of an affiliated service group (as defined in Section 414(m) of the Code), which includes the Company.

"Beneficiary" means the person or persons entitled to receive benefits under the Plan by reason of the death of a Participant.

"Board" means the Board of Directors of the Company as from time to time constituted.

"Break in Service" means the period of an Employee's absence from active employment commencing upon his Severance Date from all Employers and ending (if at all) when he again performs an Hour of Service, within the meaning of the first clause (i) of the definition of "Hour of Service."

"Code" means the Internal Revenue Code of 1986, as from time to time amended.

"Company" means Newell Operating Company (formerly known as Newell Co., Newell Companies, Inc., Newell National Co. and Newell Mfg. Co.), a Delaware corporation and its predecessor, Newell Mfg. Co. (formerly known as Western Newell Mfg. Co.), an Illinois corporation.

"Covered Compensation" means the annual basic compensation of a Participant from a Participating Employer for the relevant period for services rendered to the Participating Employer in any Plan Year, including (i) regular salary and straight-time wages for regular work week time, (ii) 100% of earned commissions for commission salesmen, (iii) any bonus (whether or not paid or deferred pursuant to the Company's Incentive Bonus Plan) up to $3,000 in any Plan Year, (iv) any amounts withheld pursuant to the Newell Long-Term Savings and Investment Plan or the Newell Flexible Benefits Account Plan, but excluding (i) all shift premiums and overtime and benefits under this Plan or any other employee benefit plan, and (ii) severance payments. In no event shall the compensation of a Participant taken into account under the Plan for any year commencing after December 31, 1988 and prior to January 1, 1994 exceed $200,000 (or such greater amount provided pursuant to Section 401(a)(17) of the Code). In addition to other applicable limitations set forth in the Plan, and notwithstanding any other provision of the Plan to the contrary, for Plan Years beginning on or after January 1, 1994, the annual compensation of each Employee taken into account under the Plan shall not exceed the OBRA '93 annual compensation limit. The OBRA '93 annual compensation limit is $150,000, as adjusted by the Commissioner of Internal Revenue for increases in the cost of living in accordance with Section 401(a)(17)(B) of the Code. The cost-of-living adjustment

in effect for a calendar year applies to any period, not exceeding 12 months, over which compensation is determined (determination period) beginning in such calendar year. If a determination period consists of fewer than 12 months, the OBRA '93 annual compensation limit will be multiplied by a fraction, the numerator of which is the number of months in the determination period, and the denominator of which is 12. For Plan Years beginning on or after January 1, 1994, any reference in this Plan to the limitation under Section 401(a)(17) of the Code shall mean the OBRA '93 annual compensation limit set forth in this provision. If compensation for any prior determination period is taken into account in determining an Employee's benefits accruing in the current Plan Year, the compensation for that prior determination period is subject to the OBRA '93 annual compensation limit in effect for that prior determination period. For this purpose, for determination periods beginning before the first day of the Plan Year, beginning on January 1, 1994, the OBRA '93 annual compensation limit is $150,000. Notwithstanding the foregoing, for purposes of Section 4.14 of the Plan, "compensation" shall have the meaning set forth in Section 4.14(j).

"Credited Interest" means interest compounded annually at the rate of three percent (3%) per annum through December 31, 1972, at four percent (4%) per annum from January 1, 1973 through December 31, 1975, at five percent (5%) per annum from January 1, 1976 through December 31, 1987, and beginning January 1, 1988, at 120% per annum of the mid-term applicable Federal rate (AFR) (as in effect under Section 1274 of the Code for the first month of the Plan Year) established by the Secretary of the Treasury pursuant to Section 204(c)(2)(C)(iii) of ERISA, on the aggregate amount from time to time of a Participant's contributions to the Plan.

"Credited Service" means all service of an Employee, while on a salaried or clerical basis with a Participating Employer (on and after the date specified in column 2 of Exhibit A hereto) that is included in a period of Vesting Service, and that is completed while the Employee is a Participant or during such Employee's Eligibility Year of Service; SUBJECT, HOWEVER, to the following special rules:

(a) Credited Service will not include any service prior to January 1, 1973 if the Employee was eligible to contribute to this Plan at any time prior to January 1, 1973 and failed to contribute the full amount required to this Plan; except that Credited Service will include any period of service immediately prior to January 1, 1973, when the Employee was contributing the full amount required to this Plan.

(b) Credited Service will not include any period of service during which an Employee is included in a unit of employees covered by a collective bargaining agreement for which retirement benefits were a subject of good faith negotiations, unless such collective bargaining agreement provides for the participation of such Employees in this Plan.

(c) Credited Service will not include leaves of absence granted by an Employer to an Employee on and after August 5, 1993 pursuant to the Family and Medical Leave Act, regardless of whether the Employee returns to work for an Employer at the end of such leave of absence.

"Early Retirement Date" means the first day of the calendar month following the month in which a Participant completes at least fifteen (15) years of Vesting Service, attains age sixty (60) and elects, by written notice delivered to the Pension Administrative Committee at least thirty (30) days in advance of such Date, to Retire prior to his Normal Retirement Date.

"Effective Date" means January 1, 1989.

"Eligibility Commencement Date" when used in reference to an Employee means the later of the Effective Date and the first day thereafter on which he meets all of the following requirements:

(a) He is employed on a salaried or clerical basis by a Participating Employer (after it becomes a Participating Employer);

(b) He is not included in a unit of employees covered by a collective bargaining agreement for which retirement benefits were a subject of good faith negotiations, unless such collective bargaining agreement provides for the participation of such Employees in this Plan;

(c) He is not a non-resident alien as described in Section 410(b)(3)(C) of the Code; and

(d) He has completed an Eligibility Year of Service.

"Eligibility Year of Service" means the twelve (12) month period, commencing with the later of (a) the date an Employee first performs an Hour of Service for an Employer or an Affiliated Company (whether or not it is a Participating Employer), and (b) the date specified in column 1 of Exhibit A hereto, during which he completes at least 1,000 Hours of Service, or if he does not complete 1,000 Hours of Service during such twelve (12) month period, then the first Plan Year ending thereafter in which he does complete 1,000 Hours of Service. Eligibility Years of Service shall include leaves of absence granted by an Employer or an Affiliated Company to an Employee on and after August 5, 1993 pursuant to the Family and Medical Leave Act, if the Employee returns to work for an Employer or an Affiliated Company at the end of such leave of absence.

"Eligible Spouse" means a person to whom a Participant is legally married on the date benefit payments commence under Section 4.01 (Normal), 4.02 (Postponed), 4.03 (Early) or 4.04 (Vested).

"Employee" means each person, officer or otherwise, in an employee-employer relationship with an Employer.

"Employer" means (i) the Company's corporate management group, (ii) each operating division of the Company, and (iii) each Affiliated Company, whether or not it is a Participating Employer.

"ERISA" means the Employee Retirement Income Security Act of 1974 as from time to time amended.

"Excess Compensation" means that part of the Covered Compensation (as defined above) of a Participant for a Plan Year that exceeds $25,000. If a Participant's employment begins or ends during a Plan Year, his Excess Compensation shall be determined by assuming that he had Covered Compensation for the entire Plan Year at the same rate as yields his actual Covered Compensation for so much of the Plan Year as he was an Employee.

"Forfeiture" means the Accrued Benefit of a Participant to which he (or his Beneficiary) does not become entitled upon a Severance Date and which is thus forfeited pursuant to Section 4.11 below.

"Fund" means the entire trust fund from time to time held by the Trustees pursuant to the Trust for the purposes of this Plan.

"Hour of Service" means:

(i) each hour for which an Employee is paid or entitled to payment for the performance of duties for an Employer on and after the later of (i) the date the Employee is first hired by an Employer, and (ii) the date specified in column (1) of Exhibit A hereto with respect to such Employer (provided that, if no date is specified in such column with respect to an Employer, the date on which such Employer became an Affiliated Company shall be utilized for purposes of this clause (ii)); and

(ii) each hour for which an Employee is directly or indirectly paid by an Employer or is entitled to payment from an Employer during which no duties are performed by reason of vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty or leave of absence (but not in excess of 501 hours in any continuous period during which no duties are performed), on and after the later of (i) the date the Employee is first hired by an Employer, and (ii) the date specified in column (1) of Exhibit A hereto with respect to such Employer (provided that, if no date is specified in such column with respect to an Employer, the date on which such Employer became an Affiliated Company shall be utilized for purposes of this clause (ii)).

Each Hour of Service for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by an Employer shall be included under either subsection (i) or (ii) above as may be appropriate. Hours of Service shall be credited:

(a) in the case of Hours referred to in subsection (i) above, for the computation period in which the duties are performed;

(b) in the case of Hours referred to in subsection (ii) above, for the computation period or periods in which the period during which no duties are performed occurs; and

(c) in the case of Hours for which back pay is awarded or agreed to by an Employer, for the computation period or periods to which the award or agreement pertains rather than to the computation period in which the award, agreement or payment is made.

In determining Hours of Service, with respect to an Employee who is employed on other than an hourly rated basis, such Employee shall be credited with ten (10) Hours of Service per day for each day, or forty-five (45) Hours of Service per week for each week, that the Employee would, if hourly rated, be credited with service pursuant to subsection (i) above. If an Employee is paid for reasons other than the performance of duties pursuant to subsection (ii) above: (i) in the case of a payment made or due which is calculated on the basis of units of time, an Employee shall be credited with the number of regularly scheduled working hours included in the units of time on the basis of which the payment is calculated; and (ii) an Employee without a regular work schedule shall be credited with eight (8) Hours of Service per day (to a maximum of forty (40) Hours of Service per week) for each day that the Employee is so paid. Hours of Service shall be calculated in accordance with Department of Labor Regulations Section 2530.200b-2 or any future legislation or regulation that amends, supplements or supersedes said section. Persons described in subsection (c) of the definition of "Vesting Service" (subject, however, to the limitation of that subsection) shall be treated as Employees of an Employer for purposes of calculating Hours of Service.

"Leased Employee" means a person who is not employed by an Employer but who performs services for an Employer pursuant to an agreement between the Employer and a leasing organization after such person performs such services on a substantially full-time basis for a twelve-month period, provided that the services are of the type historically performed by employees in the business field. Subject to the provisions of subsection (c) of the definition of "Vesting Service" and the last sentence of the definition of "Hour of Service," a Leased Employee of an Employer shall not be considered an Employee for purposes of the Plan.

"Named Fiduciary" means the entity which has ultimate authority to control and manage the operation and administration of the Plan and in this Plan means the Company as set forth in Section 8.01 below.

"Normal Retirement Benefit" when used in reference to a Participant means his normal retirement benefit, if any, determined as set forth in Section 4.01.

"Normal Retirement Date" means the first day of the calendar month following a Participant's sixty-fifth (65th) birthday. A Participant's Accrued Benefit shall be nonforfeitable on his sixty-fifth (65th) birthday.

"Participant" means an Employee or a former Employee who is described as a Participant under Article III of the Plan.

"Participating Employer" means the Company and (i) each Employer whose Employees participated in a Prior Plan immediately prior to the Effective Date; and (ii) each other Employer (A) to which the Board has extended this Plan by resolution specifying the date on which this Plan becomes effective as to that Employer, and (B) if that other Employer is separately incorporated, which has adopted this Plan as its own plan by resolution of its board of directors. Each Employer that is a Participating Employer is identified on Exhibit A to this Plan, together with the date on and after which Hours of Service, an Eligibility Year of Service, Vesting Service and Credited Service shall be counted with respect to such Participating Employer.

"Pension Administrative Committee" means the Plan administrative committee referred to in Article VIII hereof as from time to time constituted.

"Pension Finance Committee" means the Plan finance committee referred to in Article VIII hereof as from time to time constituted.

"Plan" means the NEWELL PENSION PLAN FOR SALARIED AND CLERICAL EMPLOYEES, as amended and restated effective January 1, 1989, as herein set forth and as from time to time amended and includes also the WESTERN NEWELL MFG. CO. PENSION PLAN, as established February 1, 1949, and successive amendments thereto and restatements thereof.

"Plan Year" means the fiscal year of the Plan and of the Trust and, until changed, shall begin January 1 and end December 31 of each year.

"Postponed Retirement Date" when used in reference to a Participant means the date, following his Normal Retirement Date, on which he Retires.

"Prior Plan" means any of the following:

(i) Anchor Hocking Retirement Plan for Salaried Employees;

(ii) Anchor Hocking Retirement Plan for Salaried Employees - Hourly Part;

(iii) Sanford Corporation Retirement Plan for Salaried Employees;

(iv) BernzOmatic Corporation Employees' Pension Plan;

(v) Foley Company Retirement Plan for Office and Administrative Employees;

(vi) Contributory Pension Plan for the Hourly-Paid Employees of the Moldcraft Division of Anchor Hocking Plastic Packaging, Inc.;

(vii) Empire Berol Corporation Revised Basic Pension Plan;

(viii) Faber-Castell Retirement Plan for Salaried Employees;

(ix) Goody Products, Inc. Pension Plan for Salaried Employees; and

(x) Stuart Hall Company, Inc. Non-Bargaining Unit Rmployees' Retirement Plan.

"Qualified Joint and Survivor Annuity" means a monthly annuity for the life of the Participant with a survivor annuity for the life of his Eligible Spouse, the monthly payments of which are equal to one-half of the monthly amount paid or payable to the Participant.

"Retirement" or "Retires" or "Retiring" means the first day of the calendar month following the termination of a Participant's service with an Employer when he is entitled to a normal, postponed, or early retirement benefit under Article IV hereof.

"Severance Date" means the earlier of:

(i) the date the employment of an Employee terminates by reason of quitting, Retirement, death or discharge; and

(ii) the first anniversary of the first date of an absence from the performance of duties as an Employee (with or without pay) for any other reason (such as vacation, holidays, sickness, disability, leave of absence or layoff).

If any Employee who is absent from work because of (i) the Employee's pregnancy, (ii) the birth of the Employee's child, (iii) the placement of a child with the Employee in connection with the Employee's adoption of the child, or (iv) caring for such child immediately following such birth or placement, shall be absent for such reason beyond the first anniversary of the first date of absence, his Severance Date shall be the second anniversary of the first day of such absence, provided that the Employee furnishes to the Pension Administrative Committee such timely information that the Pension Administrative Committee may reasonably require to establish (A) that the absence from work is for one of the reasons specified in clauses (i) through (iv), and (B) the number of days for which there was such an absence. Notwithstanding anything to the contrary contained herein, in no event shall the period between the first and second anniversary of the first day of such absence be counted as a period of employment for purposes of calculating Vesting Service or Credited Service.

"Spouse" means an Eligible Spouse or a Surviving Spouse.

"Surviving Spouse" means a person to whom a Participant is legally married for at least the one (1) year period ending on the Participant's date of death.

"Trust" means the Newell Co. Master Retirement Trust as set forth in the Trust Agreement entered into on July 1, 1989, by and between the Company and The Northern Trust Company, as Trustee, as the same may from time to time be amended.

"Trustees" means the trustee under the Trust, or any successor trustee or trustees under the provisions of the Trust.

"Vesting Service" means all service of an Employee with an Employer or an Affiliated Company, based on calendar months, counted from the earlier of (A) the later of (i) the date the Employee is first hired by an Employer or an Affiliated Company, and (ii) the date specified in column 1 of Exhibit A hereto with respect to such Employer (provided that, if no date is specified in such column with respect to an Employer, the date on which such Employer became an Affiliated Company shall be utilized for purposes of this clause (ii)), and (B) the date on which the Employee began accruing Vesting Service under a Prior Plan, to his last Severance Date; SUBJECT, HOWEVER, to the following special rules:

(a) Breaks in Service will be excluded in determining Vesting Service, except that a Break in Service incurred when an Employee quits, Retires, or is discharged will not be excluded if the Employee returns to the performance of duties as an Employee of an Employer prior to the first anniversary of his absence from the performance of duties; provided that if such Break in Service commenced while the Employee was absent from the performance of duties for one of the reasons described in paragraph (ii) of the

definition of "Severance Date," the Break in Service will only not be excluded if it is incurred, and the Employee returns to the performance of duties as an Employee of an Employer, prior to the first anniversary of his absence from the performance of duties.

(b) For an Employee who is entitled to any portion of his Accrued Benefit in accordance with Article IV or Article XII hereof, service which would otherwise be Vesting Service which occurs before a Break in Service of at least twelve (12) consecutive months will be included in determining Vesting Service if the Employee completes one Eligibility Year of Service after the date on which the Break in Service ends.

(c) For an Employee who is not entitled to any portion of his Accrued Benefit in accordance with Article IV or Article XII hereof, service which would otherwise be Vesting Service which occurs before a Break in Service of at least twelve (12) consecutive months will be included in determining Vesting Service if the Employee completes one year of Eligibility Service after the date on which the Break in Service ends; provided that in no event will such service be included in determining Vesting Service if the length of the Break in Service exceeds: (i) if the Break in Service commenced before January 1, 1985, the length of the prior Vesting Service (determined after applying this same rule to such prior Vesting Service) or (ii) if the Break in Service commenced after December 31, 1984, the greater of the period determined under clause (i) or five (5) years.

(d) Any Leased Employee of an Employer or an Affiliated Company who subsequently becomes an Employee and thereafter participates in the Plan shall receive credit for vesting hereunder for his period of employment as a Leased Employee, except to the extent that Section 414(n)(5) of the Code was satisfied with respect to such Employee while he was a Leased Employee.

(e) Vesting Service shall include leaves of absence granted by an Employer or an Affiliated Company to an Employee on and after August 5, 1993 pursuant to the Family and Medical Leave Act, if the Employee returns to work for an Employer or an Affiliated Company at the end of such leave of absence.

GENDER AND NUMBER. The masculine pronoun wherever used herein shall be deemed to include the feminine and the neuter, and the singular shall be deemed to include the plural whenever the context requires.

ARTICLE III

Eligibility and Participation

3.01 REQUIREMENTS FOR PARTICIPATION. Each Employee who was a Participant in the Plan immediately prior to the Effective Date shall continue to participate in and receive benefits under the Plan in accordance with its terms. Each other Employee shall become a Participant on his Eligibility Commencement Date.

3.02 DURATION. (a) An Employee who became a Participant and attained his Severance Date prior to January 1, 1993 continued to be a Participant until the end of a Plan Year in which he completed fewer than 501 Hours of Service and also continued to be a Participant thereafter for so long as he was entitled to receive any benefits hereunder regardless of when such benefits are payable. If such Participant completed fewer than 501 Hours of Service in any Plan Year before becoming entitled to receive (then or thereafter) a benefit hereunder, he thereupon ceased to be a Participant unless and until he thereafter completed another Eligibility Year of Service in which event he was deemed to have become a Participant on the first day of such completed Eligibility Year of Service. Notwithstanding the foregoing, if such Participant who left an Employer to serve in the armed forces of the United States for a period during which his reemployment rights are guaranteed by law, ceased to be a Participant under the preceding provisions of this subsection (a), and such Participant returned to work for an Employer prior to the expiration of his reemployment rights, such Participant continued to participate in the Plan until he so returned (and thereafter in accordance with the terms of the Plan), despite his failure to complete 501 Hours of Service during any Plan Year prior to January 1, 1993 because he was absent for such purpose.

(b) An Employee who is absent from work with an Employer because of (i) the Employee's pregnancy, (ii) the birth of the Employee's child, (iii) the placement of a child with the Employee in connection with the Employee's adoption of the child, or (iv) caring for such child immediately following such birth or placement shall receive credit solely for purposes of subsection (a) above for the Hours of Service provided in subsection (c) below; provided that the total number of hours credited as Hours of Service under this sub-section shall not exceed 501 Hours of Service.

(c) In the event of an Employee's absence from work for any of the reasons set forth in subsection (b) above, the Hours of Service that the Employee will be credited with under subsection (b) are (i) the Hours of Service that otherwise would normally have been credited to the Employee but for such absence, or (ii) eight (8) Hours of Service per day of such absence if the Pension Administrative Committee is unable to determine the Hours of Service described in clause (i).

(d) An Employee who is absent from work for any of the reasons set forth in subsection (b) above shall be credited with Hours of Service under subsection (b): (i) only in the Plan Year in which the absence begins, if the Employee would be prevented from ceasing to be a Participant under subsection (a) above in that Year solely because he receives credit for Hours of Service for the period of absence, as provided in subsections (b) and (c) above, or (ii) in any other case, in the immediately following Plan Year.

(e) No credit for Hours of Service will be given pursuant to subsections (b), (c) and (d) above unless the Employee furnishes to the Pension Administrative Committee such timely information that the Pension Administrative Committee may reasonably require to establish: (i) that the absence from work is for one of the reasons specified in subsection (b) and (ii) the number of days for which there was such an absence. No credit for Hours of Service will be given pursuant to subsections (b), (c), and (d) for any purpose of the Plan other than the determination of whether an Employee has ceased to be a Participant pursuant to subsection (a).

3.03 CHANGE IN STATUS. If a Participant shall cease to be employed on a salaried or clerical basis but continues to be an Employee, he shall be deemed to be an inactive Participant until he again is employed on a salaried or clerical basis or ceases to be an Employee, whichever first occurs. After he becomes, and so long as he remains, an inactive Participant, he shall accrue no Credited Service for purposes of the Plan but shall continue to accrue Vesting Service in accordance with its terms. Upon the Retirement, death, disability or other termination of employment of an inactive Participant, payment of his benefits will be made to him or to his Spouse or Beneficiary pursuant to the applicable provisions of Articles IV and V.

ARTICLE IV

Pension Benefits

4.01 BENEFITS PAYABLE ON NORMAL RETIREMENT. Subject to the provisions of Section 4.06 below and of subsection (d) of this Section 4.01, each Participant who Retires on his Normal Retirement Date shall be entitled to receive his Normal Retirement Benefit, a monthly benefit for the remainder of his lifetime, equal to the aggregate of the amounts determined under subsections (a), (b) and (c) below, based on Credited Service determined in accordance with subsection (d) below.

(a) The portion of the Normal Retirement Benefit attributable to Credited Service before January 1, 1982, shall be the accrued benefit (determined under the terms and provisions of the Plan as in effect on December 31, 1981) to which a Participant is entitled as of January 1, 1982; PROVIDED, HOWEVER that for purposes of determining such accrued benefit, the compensation

for the Plan Year 1977 for each Participant who was paid compensation for the entire Plan Year 1978 shall be deemed to be his compensation for the Plan Year 1978 divided by 1.06. For purposes of determining the accrued benefit of a Participant as of January 1, 1982 pursuant to this subsection (a), if the "Social Security Reduction Amount," as that term was defined in the Plan as of December 31, 1983, was calculated by using an estimate of the wages of an Employee for some or all years of employment for purposes of determining such Employee's "Primary Social Security Amount," as described in the paragraph in the Plan as of December 31, 1983, in which such term was so defined:

(i) The pre-termination (or pre-hire) wage history shall be estimated by applying a salary scale, projected backwards, to the Employee's compensation (as defined in section 3.3 of Internal Revenue Service Revenue Ruling 71-446) at termination of employment (or at hire) and the salary scale shall be either:

(A) the actual change in the average wages from year to year as determined by the Social Security Administration, or

(B) a level percentage per year that is not less than six percent per annum;

(ii) The Pension Administrative Committee shall give clear written notice to each Employee of the Employee's right to supply actual salary history and of the financial consequences of failing to supply such history. The notice must be given each time the summary plan description for the Plan is provided to the Employee and must also be given upon termination of employment. The notice must also state that the Employee can obtain the actual salary history from the Social Security Administration; and

(iii) The accrued benefit for any Participant will be adjusted based on an actual salary history for years previously estimated before termination of employment (and an assumed post-termination compensation in accordance with section 11.01 of Internal Revenue Service Revenue Ruling 71-446 when applicable) if the Participant supplies documentation of that history. Such documentation must be provided no later than ninety (90) days following the later of the date of termination of employment and the time when the Participant is notified of the amount of retirement income to which he is entitled.

The estimated wages may be used either only for years before employment or for all years before termination of employment.

(b) The portion of the Normal Retirement Benefit attributable to Credited Service from January 1, 1982 through December 31, 1988, shall be one-twelfth (1/12) of the sum of:

(i) one and one-tenth percent (1.1%) of his Covered Compensation for each year of Credited Service from January 1, 1982 through December 31, 1988, plus

(ii) one and two-tenths percent (1.2%) of his Excess Compensation for each year of Credited Service from January 1, 1982 through December 31, 1988.

(c) The portion of the Normal Retirement Benefit attributable to Credited Service from and after the Effective Date shall be one-twelfth (1/12) of the sum of:

(i) one and thirty-seven hundredths percent (1.37%) of his Covered Compensation that is not Excess Compensation for each year of Credited Service from and after the Effective Date, plus

(ii) one and eighty-five hundredths percent (1.85%) of his Excess Compensation for each year of Credited Service from and after the Effective Date.

(d) For purposes of determining the portion of the Normal Retirement Benefit to which a Participant is entitled pursuant to subsections (b) and (c) above:

(i) Not more than thirty (30) years of Credited Service as a Participant under this Plan from and after January 1, 1982 shall be taken into account for purposes of subsections (b) and (c) above.

(ii) In the case of a Participant with more than thirty (30) years of Credited Service as a Participant under this Plan from and after January 1, 1982, the years of such Credited Service to be taken into account for purposes of subsections (b) and (c) shall be those thirty (30) years (whether or not consecutive) which make the greatest contribution to his Normal Retirement Benefit under this Plan; and

(iii) If a Participant has Credited Service from and after January 1, 1982, as a Participant under this Plan and under the Newell Pension Plan for Factory and Distribution Hourly Paid Employees As Amended and Restated Effective January 1, 1989 (the "Hourly Plan"), the Participant shall be entitled to credit for a maximum of thirty (30) years of Credited Service under both this Plan and the Hourly Plan for purposes of computing his aggregate benefit from and after January 1, 1982, under subsections (b) and (c) of this Section 4.01 and under the Hourly Plan; provided that if a

Participant has more than thirty (30) years of such Credited Service from and after January 1, 1982, the years of such Credited Service to be taken into account for purposes of computing such aggregate benefit under this Plan and the Hourly Plan shall be those 30 years (whether or not consecutive) which make the greatest contribution to such aggregate Normal Retirement Benefit under both Plans; and provided, further, that in no event will a Participant receive Credited Service for purposes of determining his Normal Retirement Benefit under this Plan while he is a Participant under the Hourly Plan.

(e) In no event shall this Section 4.01 be applied to reduce the Normal Retirement Benefit of any Participant below the accrued benefit (determined under the terms and provisions of the Plan as in effect on December 31, 1981) to which he was entitled as of January 1, 1983, or the accrued benefit (determined under the terms and provisions of the Plan as in effect on December 31, 1988) to which he was entitled as of January 1, 1989.

4.02 BENEFITS PAYABLE ON POSTPONED RETIREMENT. Subject to the provisions of Section 4.06 below, each Participant who Retires on his Postponed Retirement Date shall be entitled to receive a monthly benefit for the remainder of his lifetime, commencing on the first day of the month following such Postponed Retirement Date, equal to the amount determined in Section 4.01 above based on Credited Service (as limited by subsection 4.01(d)) as of his Postponed Retirement Date.

4.03 BENEFITS PAYABLE ON EARLY RETIREMENT. Subject to the provisions of Section 4.06 below, each Participant who Retires on his Early Retirement Date, shall be entitled to receive a monthly benefit for the remainder of his lifetime equal to his Accrued Benefit upon such Early Retirement Date, reduced where applicable by one-half of one percent (0.5%) for each month by which the date such benefit payments commence precedes his Normal Retirement Date.

4.04 VESTED BENEFITS. Subject to the provisions of Section 4.05 below, each Participant who upon a Severance Date caused other than by death is not thereby eligible for the benefits described in Section 4.01, 4.02 or 4.03 shall be entitled to receive, if the Participant has completed five (5) years of Vesting Service at his Severance Date, a monthly benefit equal to his Accrued Benefit at his Severance Date, reduced where applicable by one-half of one percent (0.5%) for each month by which the date such payments commence precedes his Normal Retirement Date.

4.05 COMMENCEMENT OF BENEFITS.

(a) Unless a Participant otherwise elects as provided below, payment of benefits under Sections 4.01, 4.02, 4.03, and 4.04 will commence on the later of the Participant's Normal Retirement Date and his Postponed Retirement Date. A Participant who has completed at

least fifteen (15) years of Vesting Service may elect to have payment of reduced benefits under Section 4.03 or 4.04 commence on the first day of an earlier month but in no event before the later of his Severance Date and his sixtieth (60th) birthday.

(b) Any election under this Section 4.05 shall be made by written notice designating the selected date and delivered to the Pension Administrative Committee at least thirty (30) days in advance of that date. The provisions of subsections (a) and (b) are hereby expressly made subject to the terms of subsection (c) below.

(c) Notwithstanding anything to the contrary contained elsewhere in the Plan:

(i) The payment of benefits under the Plan to any Participant will:

(A) be distributed to him not later than the Required Distribution Date (as defined in subsection (c)(iii)), or

(B) be distributed to him commencing not later than the Required Distribution Date in accordance with regulations prescribed by the Secretary of the Treasury (I) over the life of the Participant or over the lives of the Participant and his Beneficiary, or (II) over a period not extending beyond the life expectancy of the Participant or the life expectancy of the Participant and his Beneficiary.

(ii) (A) If the Participant dies after distribution to him has commenced pursuant to subsection (c)(i)(B) but before his entire interest in a benefit under the Plan has been distributed to him, then the remaining portion of that interest will be distributed at least as rapidly as under the method of distribution being used under subsection (c)(i)(B) at the date of his death.

(B) If the Participant dies before distribution to him has commenced pursuant to subsection (c)(i)(B), then, except as provided in subsections (c)(ii)(C) and (c)(ii)(D), his entire interest in a benefit under the Plan will be distributed within five (5) years after his death.

(C) Notwithstanding the provisions of subsection (c)(ii)(B), if the Participant dies before distribution to him has commenced pursuant to subsection (c)(i)(B) and if any portion of his interest in a benefit under the Plan is payable (I) to or for the benefit of a Beneficiary, (II) in accordance with regulations prescribed by the Secretary of the Treasury over the

life of the Beneficiary or over a period not extending beyond the life expectancy of the Beneficiary, and (III) beginning not later than one (1) year after the date of the Participant's death or such later date as the Secretary of the Treasury may prescribe by regulations, then the portion of such interest referred to in this subsection (c)(ii)(C) shall be treated as distributed on the date on which such distributions begin.

(D) Notwithstanding the provisions of subsections (c)(ii)(B) and (c)(ii)(C), if the Beneficiary referred to in subsection (c)(ii)(C) is the Surviving Spouse of the Participant, then:

(I) the date on which the distributions are required to begin under subsection (c)(ii)(C)(III) shall not be earlier than the date on which the Participant would have attained age 70 1/2, and

(II) if the Surviving Spouse dies before the distributions to such Spouse begin, then this subsection (c)(ii)(D) shall be applied as if the Surviving Spouse were the Participant.

(iii) For purposes of this subsection (c), the "Required Distribution Date" means April 1 of the calendar year following the calendar year in which the Participant attains age 70 1/2; provided, however, that if the Participant attained age 70 1/2 in calendar year 1988, the Required Distribution Date means April 1, 1990, and further provided that if the Participant attained age 70 1/2 prior to January 1, 1988, the Required Distribution Date means the April 1 following the later of the calendar year in which the Participant: (A) attained age 70 1/2, or (B) terminated service with all Employers, unless he was a five-percent owner (as defined in Section 416 of the Code) of the Company with respect to the Plan Year ending in the calendar year in which he attained age 70 1/2, in which case clause (B) shall not apply.

(iv) For purposes of this subsection (c), the life expectancy of a Participant and his Spouse may be redetermined, but not more frequently than annually.

4.06 NORMAL FORMS OF BENEFIT.

(a) If a Participant does not make a timely election not to receive payments pursuant to this subsection (a) and to receive payments pursuant to one of the optional forms of payment described in Section 5.01 below, and has an Eligible Spouse at the time payments

under Section 4.01, 4.02, 4.03, or 4.04, above, commence, the benefits payable thereunder to the Participant shall be payable as a Qualified Joint and Survivor Annuity which shall be the Actuarial Equivalent of the retirement benefit set forth in the applicable Section. Any election by a Participant not to receive payments pursuant to this subsection (a) shall only be effective if the requirements contained in the last sentence of Section 5.01(f) have been satisfied.

(b) If a Participant does not make a timely election not to receive payments pursuant to this subsection (b) and to receive payments pursuant to one of the optional forms of benefits described in Section 5.01 below, and does not have an Eligible Spouse at the time payments under Section 4.01, 4.02, 4.03, or 4.04, above, commence, the benefits payable thereunder to the Participant shall be payable as an annuity for the Participant's life ending on the first day of the month during which his death occurs.

4.07 SURVIVING SPOUSE'S BENEFITS.

(a) Qualified Preretirement Survivor Annuity. Subject to the last sentence of subsection (b) below:

(i) Upon the death of a Participant:

(A) Who dies after he has satisfied the requirements for a benefit under Section 4.03, or after he has satisfied the Vesting Service requirements of Section 4.04 or Section 12.05, if applicable, and

(B) Who has not commenced receiving benefit payments accrued under the Plan,

his Surviving Spouse shall be entitled to receive a "Qualified Preretirement Survivor Annuity."

(ii) A Qualified Preretirement Survivor Annuity payable to a Surviving Spouse shall be a survivor annuity for the life of the Surviving Spouse based upon the Participant's Accrued Benefit at his Severance Date (but reduced as provided below), payable at the following times:

(A) If the Participant shall have completed fifteen (15) years of Vesting Service at his Severance Date, and shall not have attained the age of sixty (60) years on or prior to the date of his death, then such Qualified Preretirement Survivor Annuity shall commence on the first day of the month following the date that would have been the Participant's sixtieth (60th) birthday if he had lived until that date; provided, however, his Surviving Spouse shall have the right to request that payment of such Qualified Preretirement Survivor Annuity be deferred until the first day of any

month after the date that would have been the Participant's sixtieth (60th) birthday up to and including the first day of the month following the date that would have been the Participant's sixty-fifth (65th) birthday. Any such request must be delivered in writing to the Pension Administrative Committee at least thirty (30) days prior to the date selected for commencement of payment of such Qualified Preretirement Survivor Annuity. Any such request may be revoked by the Surviving Spouse by a subsequent written request delivered to the Pension Administrative Committee at least thirty (30) days prior to the date selected for commencement in the request to be revoked.

(B) If the Participant (i) is working past his Normal Retirement Date for an Employer as of the date of his death, or (ii) shall have completed fifteen (15) years of Vesting Service at his Severance Date and shall have attained the age of sixty (60) years prior to the date of his death, then such Qualified Preretirement Survivor Annuity shall commence on the first day of the month following the date of his death; provided, however, that in the case of a Participant described in clause (ii), his Surviving Spouse shall have the right to request that payment of such Qualified Preretirement Survivor Annuity be deferred until the first day of any month after the date of the Participant's death up to and including the first day of the month following the date that would have been the Participant's sixty-fifth (65th) birthday. Any such deferral request shall be made and may be revoked pursuant to the procedures described in paragraph (A) next above.

(C) If the Participant (i) is not working past his Normal Retirement Date for an Employer, whether or not he has attained his Normal Retirement Date, as of the date of his death, and (ii) shall have completed at least five (5) but less than fifteen (15) years of Vesting Service at his Severance Date, then such Qualified Preretirement Survivor Annuity shall commence on the first day of the month following the later to occur of (i) the date of his death and (ii) the date that would have been his sixty-fifth (65th) birthday if he had lived until such date.

(iii) The amount of the Qualified Preretirement Survivor Annuity payable to a Surviving Spouse under this subsection (a) shall be as follows:

(A) If the Participant shall have completed fifteen (15) years of Vesting Service at his Severance

Date, and shall not have attained the age of sixty (60) years on or prior to the date of his death, then the amount of such Qualified Preretirement Survivor Annuity shall be determined as if the Participant had terminated employment on the date of his death, survived to his sixtieth (60th) birthday, Retired and commenced receiving his early retirement benefit pursuant to Section 4.03 in the form of a Qualified Joint and Survivor Annuity on his sixtieth (60th) birthday and died on the day after his sixtieth (60th) birthday; provided, however, that if the Surviving Spouse elects to defer payment of the Qualified Preretirement Survivor Annuity pursuant to subparagraph (a)(ii)(A) of this Section, the amount of the Qualified Preretirement Survivor Annuity shall be determined as if the Participant had terminated employment on the date of his death, survived to the selected commencement date, Retired and commenced receiving a benefit in the form of a Qualified Joint and Survivor Annuity on the selected commencement date, and died on the next day.

(B) If the Participant (i) is working past his Normal Retirement Date for an Employer as of the date of his death, or (ii) shall have completed fifteen (15) years of Vesting Service at his Severance Date and shall have attained the age of sixty (60) years prior to the date of his death, then the amount of such Qualified Preretirement Survivor Annuity shall be determined as if the Participant had Retired and commenced receiving a benefit in the form of a Qualified Joint and Survivor Annuity on the day before the date of his death; provided, however, that if the Surviving Spouse elects to defer payment of the Qualified Preretirement Survivor Annuity pursuant to subparagraph (a)(ii)(B) of this Section, the amount of the Qualified Preretirement Survivor Annuity shall be determined as if the Participant had terminated employment on the date of his death, survived to the selected commencement date, Retired and commenced receiving a benefit in the form of a Qualified Joint and Survivor Annuity on the selected commencement date, and died on the next day.

(C) If the Participant (i) is not working past his Normal Retirement Date for an Employer, whether or not he has attained his Normal Retirement Date, as of the date of his death, and (ii) shall have completed at least five (5) but less than fifteen (15) years of Vesting Service then the amount of such Qualified Preretirement Survivor Annuity shall be determined as if the Participant had terminated employment on the date of his death, survived to his sixty-fifth (65th)

birthday, Retired and commenced receiving a benefit in the form of a Qualified Joint and Survivor Annuity on his sixty-fifth (65th) birthday and had died on the day after his sixty-fifth (65th) birthday.

Notwithstanding any provision of this clause (iii) to the contrary, the benefit payable pursuant to this subsection (a) shall be based on the Participant's Accrued Benefit at his Severance Date.

(iv) The Qualified Preretirement Survivor Annuity payable to a Surviving Spouse pursuant to this Section shall be payable in equal monthly installments until and including the installment for the month in which the Surviving Spouse dies.

(v) Notwithstanding the foregoing provisions of this paragraph (a) the amount of the Qualified Pre-retirement Survivor Annuity payable under this subsection (a) shall be reduced by the Actuarial Equivalent of any payments made to the Surviving Spouse in accordance with subsection (b) below prior to the commencement of payment of the Qualified Pre-retirement Survivor Annuity under the preceding clauses of this subsection.

(vi) The amount of any Qualified Preretirement Survivor Annuity shall be reduced by one-half of one percent (0.5%) for each month by which the date payment of the Qualified Preretirement Survivor Annuity commences precedes the date the Participant would have attained the age of sixty-five (65) years.

(b) Special Survivor Annuity.

(i) Upon the death of a Participant:

(A) Who has attained his thirty-fifth (35th) birthday,

(B) Who has completed at least five (5) years of Vesting Service, and

(C) Whose Vesting Service is terminated by such death,

his Surviving Spouse shall be entitled to receive a monthly pension equal to the retirement benefit determined for the Participant as set forth in Section 4.01 above based on Credited Service (as limited by subsection 4.01(d)) as of the date of his death, commencing on the first day of the month next following the death of such Participant and ending with the earliest to occur of: (i) such Surviving

Spouse's death, (ii) such Surviving Spouse's remarriage if, at the time of such remarriage, there are one or more Dependent Children of such Participant entitled to receive a benefit under Section 4.08 below, or (iii) the date when the aggregate number of monthly payments that were made to such Surviving Spouse pursuant to this Section 4.07(b), and to the Participant's Dependent Children pursuant to Section 4.08 below, equals one hundred twenty (120). Notwithstanding the foregoing, if a Surviving Spouse's benefit under this subsection (b) terminates by her remarriage and, prior to the time that one hundred twenty (120) payments have been made pursuant to this Section 4.07(b) and Section 4.08 below, there are no longer any Dependent Children of the applicable Participant remaining, the Surviving Spouse (if still living) shall again become eligible to receive the benefit described in this subsection (b), commencing on the first day of the month next following the month in which the benefit under Section 4.08 ceased to be paid and ending with the earlier to occur of: (i) such Surviving Spouse's death, or (ii) the date when the aggregate number of monthly payments that were made to such Surviving Spouse pursuant to this Section 4.07(b), and to the Participant's Dependent Children pursuant to Section 4.08 below, equals one hundred twenty (120).

In any month in which a Surviving Spouse is eligible to receive a monthly pension both under this subsection (b) and under subsection (a) above, such Surviving Spouse shall receive whichever monthly pension amount is the greater, but not both, during the period of time that the monthly pension is payable to the Surviving Spouse under this subsection (b).

(c) Notwithstanding the provisions of this Section 4.07, that portion of the Plan as in effect on December 31, 1983 that provided a benefit to the Surviving Spouse of a Participant who died prior to the commencement of his benefit shall apply in lieu of the provisions of this Section 4.07 with respect to (i) any Employee who died prior to August 23, 1984, or (ii) any Employee who did not receive credit for an Hour of Service on or after August 23, 1984; except with respect to any Employee who elected to be covered by the provisions of this Section 4.07 pursuant to an opportunity provided in accordance with the Retirement Equity Act of 1984.

(d) If a Participant shall die on or after the date of commencement of pension benefit payments to him under the Plan, payments shall be made to his Surviving Spouse or Beneficiary only in accordance with the form of payment specified in Section 4.06(a), or as elected by the Participant pursuant to Section 5.01, if applicable.

4.08 SURVIVING DEPENDENT CHILDREN'S BENEFIT. Upon the death of a Participant:

(i) who has attained his thirty-fifth (35th) birthday,

(ii) who has completed at least five (5) years of Vesting Service,

(iii) whose Vesting Service is terminated by such death,

(iv) who is not survived by a Surviving Spouse, and

(v) who is survived by one or more of his unmarried children (including posthumous children, and adopted children but only those adopted at least one (1) year prior to the date of his death) under the age of eighteen (18) years at the date of his death or, at the date of his death, under the age of twenty-two (22) years while then attending school or college full-time (in this Section 4.08 called "Dependent Children");

or upon the death or remarriage of such a Participant's said Surviving Spouse who is receiving, or entitled to receive, a benefit under Section 4.07(b) above, the Dependent Children of such Participant shall be entitled to a monthly pension benefit equal in the aggregate to the monthly pension benefit which was being paid or would have been payable to such Participant's said unremarried Surviving Spouse under Section 4.07(b) above. The payment for any month shall be payable in equal shares to those persons who meet the definition of "Dependent Children" with respect to such Participant as of the last day of the preceding month and as of the date of his death. Such surviving Dependent Children's pension benefit shall be payable on the first day of each month commencing with the month next following the month in which such Participant or such Participant's Surviving Spouse dies, or such Surviving Spouse remarries, as the case may be, and ending with the earlier to occur of (i) the last payment prior to the time when there are no longer any Dependent Children remaining; or (ii) the date when the aggregate number of monthly payments that were made to such Participant's said Surviving Spouse pursuant to Section 4.07(b) above, and to his Dependent Children pursuant to this Section 4.08, equals one hundred twenty (120).

4.09 DISABILITY BENEFITS. No benefits are provided under the Plan solely by virtue of a Participant's disability.

4.10 RE-EMPLOYMENT AFTER TERMINATION OF SERVICE.

(a) If a Participant who has Retired and commenced receiving a benefit is reemployed by an Employer after his Retirement, such benefit shall continue to be paid notwithstanding his reemployment.

(b) A Participant's benefit shall be suspended if he has commenced receiving a benefit under Section 4.04 by reason of a Severance Date other than Retirement and is reemployed for more than three consecutive months by an Employer prior to his Normal Retirement Date. In such event his benefit shall be suspended during such period of reemployment beginning with the month following his completion of three consecutive months of reemployment and up to his Normal Retirement Date (subject to additional suspension as provided below).

(c) A Participant's benefit shall be suspended on and after his Normal Retirement Date pursuant to subsection (d) if:

(i) He has commenced receiving a benefit under Section 4.04 by reason of a Severance Date other than Retirement and is reemployed by an Employer on or after his Normal Retirement Date for more than three consecutive months,

(ii) He has commenced receiving a benefit under Section 4.04 by reason of a Severance Date other than Retirement and is reemployed by an Employer before his Normal Retirement Date but continues in employment with an Employer after his Normal Retirement Date and such employment continues for more than three consecutive month, or

(iii) He continues in employment with an Employer beyond his Normal Retirement Date without a prior termination.

(d) In the case of a Participant described in subsection (c)(i), (c)(ii), or (c)(iii), with respect to whom the additional benefit accrued by reason of employment after his Normal Retirement Date is less than the adjustment that would have been made to the Participant's benefit if it had been increased to equal the Actuarial Equivalent of the benefit accrued for such Participant at his Normal Retirement Date, the Participant's benefit shall be suspended on and after his Normal Retirement Date only in accordance with the following provisions of this Section 4.10. Such provisions shall become applicable to him as of the latest of (i) his Normal Retirement Date, (ii) the first day of the month following his completion of three consecutive months of reemployment, or (iii) the date as of which such additional accrual is less than such adjustment.

(i) For purposes of this Section, the following definitions shall apply:

(A) "Post-Retirement Date Service" means each calendar month of employment of a Participant with an Employer after the Participant's Normal Retirement Date and subsequent to the time that:

(1) payment of a Vested Benefit commenced to the Participant under Section 4.04 if he returned to employment, or

(2) payment of a benefit would have commenced to him if he had not remained in employment,

if in either case the Participant completes forty (40) or more Hours of Service in such calendar month. The determination of the Employee's Employer with respect to whether an Employee is performing Post-Retirement Date Service shall be based on a reasonable and good faith evaluation of the facts, and shall be conclusive and binding.

(B) "Suspendable Amount" means:

(1) in the case of a benefit payable periodically on a monthly basis for as long as a life (or lives) continues, the monthly benefit otherwise payable in a calendar month in which the Participant is engaged in Post-Retirement Date Service,

(2) in the case of a benefit payable other than in the form described in clause (1) above, the lesser of (a) the amount of such benefit that would have been payable to the Participant if he had been receiving monthly benefits under the Plan since actual retirement based on a single life annuity commencing at his actual retirement date; or (b) the actual amount paid or scheduled to be paid to the Participant for such month. Payments which are scheduled to be paid less frequently than monthly may be converted to monthly payments for purposes of this clause (b).

(ii) Payment shall be permanently withheld of a portion of a Participant's benefit, not in excess of the Suspendable Amount, for each calendar month described in the first two sentences of this subsection (d) during which the Participant is employed in Post-Retirement Date Service.

(iii) If payments have been suspended pursuant to subsection (d)(ii) above, such payments shall resume no later than the first day of the third calendar month after the calendar month in which the Participant ceases to be employed in Post-Retirement Date Service; provided, however, that no payments shall resume until the Participant has complied with the requirements set forth in subsection (d)(vi) below. The initial payment upon resumption shall include

the payment scheduled to occur in the calendar month in which payments resume and any amounts withheld during the period between the cessation of Post-Retirement Date Service and the resumption of payment, less any amounts which are subject to offset pursuant to subsection (d)(iv) below.

(iv) Benefit payments made subsequent to Post-Retirement Date Service shall be reduced (A) by the Actuarial Equivalent of any benefits paid to the Participant prior to the time he is reemployed by an Employer after his Normal Retirement Date (such reduction will occur only if such benefits are not repaid in full to the Trust before the earlier of five years after the first date on which the Participant is subsequently reemployed by an Employer, or the close of the first period of five consecutive one-year Breaks in Service commencing after the payment of such benefits; and (B) by the amount of any payments previously made during those calendar months in which the Participant was engaged in Post-Retirement Date Service; provided, however, that such reduction under (B) shall not exceed in any one month, twenty-five (25) percent of that month's total benefit payment (excluding amounts described in subsection (d)(iii) above) which would have been due but for the offset.

(v) Any Participant whose benefit payments are suspended pursuant to subsection (d)(ii) above, shall be notified (by personal delivery or certified mail) during the first calendar month in which payments are withheld, that his benefits are suspended. Such notification shall include: (A) a description of the specific reasons for the suspension of payments; (B) a general description of the Plan provisions relating to the suspension; (C) a copy of the provisions; (D) a statement to the effect that applicable Department of Labor regulations may be found at Section 2530.203-3 of the Code of Federal Regulations; (E) the procedure for appealing the suspension, which procedure shall be governed by Section 7.06; and (F) the procedure for filing a benefits resumption notification pursuant to subsection (d)(vi) below. If payments subsequent to the suspension are to be reduced by an offset pursuant to subsection (d)(iv) above, the notification shall specifically identify the periods of employment for which the amounts to be offset were paid, the Suspendable Amounts subject to offset, and the manner in which the Plan intends to offset such Suspendable Amounts.

If the Summary Plan Description ("SPD") for the Plan contains information that is substantially the same as information required pursuant to this subsection (d)(v), the notification required by this subsection (d)(v) may refer the Participant to the relevant pages of the SPD. If the

notification refers to the SPD, the notification shall also inform the Participant how to obtain a copy of the SPD, or relevant pages thereof, and any request for the referenced information shall be honored within thirty (30) days of the receipt by the Participant's Employer of such request.

(vi) Payments shall not resume as set forth in subsection (d)(iii) above until a Participant performing Post-Retirement Date Service notifies his Employer in writing of the cessation of such Service and supplies such Employer with such proof of the cessation as such Employer may reasonably require.

(vii) A Participant may request, pursuant to the procedure contained in Section 7.06, a determination whether specific contemplated employment will constitute Post-Retirement Date Service.

(e) In the case of a Participant covered by subsection (b), (c)(i), or (c)(ii), above, the monthly benefit of such Participant commencing by reason of his subsequent Severance Date (including Retirement) shall be redetermined in accordance with the Plan. The Vesting Service and Credited Service of such Participant for purposes of such redetermination shall include the Vesting Service and Credited Service which entitled him to a benefit by reason of such prior Severance Date as well as all subsequent Vesting Service and Credited Service (as limited by subsection 4.01(d) above). The monthly benefit amount as so redetermined shall be adjusted, however, so that the Actuarial Equivalent of the sum of the benefit amounts already paid by reason of such prior Severance Date and such redetermined benefit will equal the greater of the amount of such redetermined benefit or the amount of the benefit that would have been payable from such new Severance Date by reason of such prior termination of service.

4.11 FORFEITURES. If upon his Severance Date a Participant (or his Beneficiary) does not become entitled to any benefit under this Plan other than the Accrued Benefit attributable to his own contributions, if any, his Accrued Benefit as of such Severance Date attributable to Employer contributions shall be deemed a Forfeiture and shall be used to reduce Employer contributions; PROVIDED, HOWEVER, that except as expressly provided in Sections 7.05 and 7.07 below, a Participant's Accrued Benefit under this Plan shall become nonforfeitable after he attains his Normal Retirement Date or completes five (5) years of Vesting Service, whichever occurs first. In no event shall any Forfeitures of benefits hereunder for any reason be applied to increase the benefits any Participant or Beneficiary would otherwise receive under this Plan.

4.12 RIGHTS FIXED AT SEVERANCE DATE. All rights and benefits provided under this Plan for a Participant or the Beneficiary of a Participant are determined under the terms and provisions of the Plan as they exist on the Participant's Severance Date and such rights

and benefits, as so determined, shall become fixed and shall not be changed by any amendment to the Plan effective after such Severance Date. Benefits shall not be decreased due to subsequent increases in social security benefits.

4.13 RETURN OF PARTICIPANT'S CONTRIBUTIONS AND INTEREST. None of the Participant, his Spouse, or his Beneficiary, may at any time elect a return of such Participant's contributions to the Plan and/or Credited Interest thereon. However, upon the death of the Participant and his Spouse or other Beneficiary, if any, designated under the form of payment applicable with respect to the Participant under Sections 4.06 and 5.01, the excess, if any, of the amount of such contributions and Credited Interest over the aggregate payments made to the Participant and/or his Spouse or other Beneficiary shall be paid in cash, as soon as practicable, to his designated Beneficiary, or if none, then pursuant to Section 5.03, in a lump sum.

4.14 MAXIMUM BENEFIT. (a) Notwithstanding any other provision of the Plan, in no event may a Participant's annual retirement income attributable to Employer contributions exceed the equivalent, determined in accordance with subsection (f) below and with rules determined by the Commissioner of the Internal Revenue Service pursuant to Code Section 415, of a straight life annuity payment equal to the lesser of:

(i) $120,000, or such other amount as may hereafter be set forth in Section 415 of the Code or determined by Treasury regulations issued pursuant to Section 415(d) of the Code; or

(ii) one hundred percent (100%) of the Participant's average annual compensation over the three consecutive calendar years during which he had the greatest aggregate compensation from all Employers, increased to reflect cost of living adjustments determined by Treasury regulations issued pursuant to Section 415 of the Code;

(iii) if the Participant has fewer than ten (10) years of participation in the Plan, the amount determined under the provisions of clause (i) above multiplied by a fraction, the numerator of which is the Participant's number of years of participation (or part thereof) and the denominator of which is ten (10); provided, however, that such product shall not be less than one-tenth of the amount determined under clause (i); and

(iv) if the Participant has fewer than ten (10) years of service with all Employers, the amount determined under the provisions of clause (ii) above multiplied by a fraction, the numerator of which is the Participant's number of years of service with all Employers (or part thereof) and the denominator of which is ten (10); provided, however,

that such product shall not be less than one-tenth of the amount determined under clause (ii).

(b) The maximum benefit permitted under subsection (a) above shall be in the form of a straight life annuity (with no ancillary benefits) under a plan to which employees do not contribute and under which no rollover contributions are made.

(c) Notwithstanding the foregoing provisions of this Section 4.14, a retirement income payable with respect to the Plan shall not be deemed to exceed the limitation of this Section 4.14 in a Plan Year if the retirement income derived from Employer contributions payable with respect to the Participant under this Plan and all other defined benefit plans of any Employer do not in the aggregate exceed $10,000 for such Plan Year. The provisions of this subsection (c) shall not apply with respect to any Participant if an Employer has at any time maintained a defined contribution plan in which the Participant participated. If the Participant has fewer than ten (10) years of service with all Employers, the $10,000 amount referred to above shall be multiplied by a fraction, the numerator of which is the Participant's number of years of service with all Employers (or part thereof) and the denominator of which is ten (10); provided, however, that the resulting product shall not be less than $1,000.

(d) Participant contributions will be treated as a separate defined contribution plan maintained by the Company which is subject to the limitations on contributions and other additions described in Treasury Regulation Section 1.415-6.

(e) If the amount contained in subsection (a)(i) above is increased pursuant to Treasury regulations issued under Section 415(d) of the Code, such increase shall be effective as of January 1 of the calendar year for which such Treasury regulations were effective and shall apply with respect to Limitation Years ending with or within that calendar year.

(f) For purposes of this Section 4.14:

(i) If the retirement income under the Plan is payable in any form other than a straight life annuity, the determination as to whether the limitation described in subsection (a) above has been satisfied shall be made in accordance with regulations prescribed by the Secretary of the Treasury, by adjusting such benefit so that it is the equivalent to the benefit described in such subsection (a). For purposes of this subsection (f)(i), any ancillary benefit which is not directly related to retirement income benefits shall not be taken into account and that portion of any joint and survivor annuity which constitutes a Qualified Joint and Survivor Annuity shall not be taken into account.

(ii) If the retirement income under the Plan begins before the Social Security Age, the determination as to whether the dollar limitation set forth in subsection (a) has been satisfied shall be made, in the case of a retirement income commencing on or after age 62, in accordance with regulations prescribed by the Secretary of the Treasury, by adjusting such income so that it is equivalent to a benefit beginning at the Social Security Retirement Age. In the case of a retirement income commencing prior to age 62, such determination shall be made (A) by reducing such retirement income for the period between the Social Security Retirement Age and age 62 in accordance with the procedure described in the preceding sentence, and (B) by further reducing such retirement income to its Actuarial Equivalent for the period between age 62 and the date payment commences. The reduction under this subsection (f)(ii) shall be made in such manner as the Secretary of the Treasury may prescribe that is consistent with the reduction for old-age insurance benefits commencing before the Social Security Retirement Age under the Social Security Act.

(iii) If the retirement income under the Plan begins after the Social Security Age, the determination as to whether the dollar limitation set forth in subsection (a) has been satisfied shall be made, in accordance with regulations prescribed by the Secretary of the Treasury, by adjusting such benefit so that it is equivalent to such a benefit beginning at the Social Security Age.

(iv)(A) For purposes of adjusting any benefit under subsection (f)(i) above, the interest rate assumption shall be the greater of five (5) percent or the rate specified in Section 5.05 below.

(B) For purposes of adjusting any benefit under subsection (f)(ii) above, the interest rate assumption shall be the greater of five (5) percent or the rate utilized in reducing the amount of retirement income payable to a Participant on account of commencement prior to such Participant's Normal Retirement Date under Section 4.03 above.

(C) For purposes of adjusting any benefit under subsection (f)(iii) above, the interest rate assumption shall be five (5) percent.

(g) In the event that any Participant under this Plan is also a Participant in a defined contribution plan or plans (as defined in Section 415 of the Code) maintained by an Employer, the sum of the defined benefit plan fraction and the defined contribution plan fraction for any Limitation Year with respect to such Participant

shall not exceed one (1.0). If such sum exceeds one (1.0) and the annual additions (as defined in Code Section 415(c)(2)) for such Participant to such defined contribution plan or plans are not reduced to obtain compliance with Code Section 415(e), then the Participant's retirement income under this Plan shall be reduced to obtain such compliance.

(h) (i) The total annual benefit payable to a Participant under all qualified plans maintained by his Participating Employer will not exceed the limits under Section 415 of the Code as set forth in subsection (a) above.

(ii) For purposes of the limitations imposed by this Section 4.14, a defined benefit plan or defined contribution plan shall be treated as maintained by a Participating Employer if the plan is maintained by any employer that is, along with such Participating Employer, a member of a controlled group of corporations or under common control with such Employer (as defined in Section 414(b) and (c) of the Code, as modified by Section 415(h) thereof) or a member of an affiliated service group (as defined in Section 414(m) of the Code).

(i) For purposes of this Section 4.14, the term "Limitation Year" means the period to be used in determining the Plan's compliance with Section 415 of the Code and the regulations thereunder. The Company shall take all actions to ensure that the Limitation Year is the same period as the Plan Year.

(j) For purposes of this Section 4.14:

(1) "compensation" shall mean wages, salaries, fees for professional services actually rendered in the course of employment with an Employer (including, but not limited to commissions paid salesmen, compensation for services on the basis of a percentage of profits, tips and bonuses); shall include all compensation actually paid or made available to a Participant; shall include any other items or amounts paid to or for the benefit of a Participant that is currently includible in the Participant's gross income; and shall not include contributions made by an Employer to a plan of deferred compensation to the extent that, before the application of Section 415 of the Code to the Plan, the contributions are not includible in the gross income of the Participant for the taxable year in which contributed. In no event shall the compensation of a Participant taken into account under the Plan for any year exceed $150,000 (or such greater amount provided pursuant to Section 401(a)(17) of the Code);

(2) "defined benefit plan fraction" for any Limitation Year for a Participant means a fraction, the numerator of which is the projected annual benefit of the Participant under all defined benefit plans maintained by the Company and all Affiliated Companies, determined as of the close of the Limitation Year, and the denominator of which is the lesser of (A) the product of 1.25, and the dollar limitation in effect under Section 415(b)(1)(A) of the Code for such Limitation Year, or (B) the product of 1.4 and the amount determined under subsection (a)(ii) of Sub-section 4.14 hereof for such Limitation Year;

(3) "defined contribution plan fraction" for any Limitation Year for any Participant is a fraction, the numerator of which is the sum of the annual additions to the Participant's accounts under all defined contribution plans maintained by the Company and all Affiliated Companies as of the close of the Limitation Year, and the denominator of which is the sum of the lesser of the following amounts determined for such Limitation Year and for each prior year of service with the Company or an Affiliated Company: (A) the product of 1.25 and the dollar limitation in effect under Section 415(c)(1)(A) of the Code for such Year (deter-mined without regard to Section 415(c)(6) of the Code), and (B) the product of 1.4 and the amount which may be taken into account under Section 415(c)(1)(B) of the Code with respect to such Participant for such Limitation Year; and

(4) "Social Security Retirement Age" means the age used as the retirement age for a Participant under Section 216(l) of the Social Security Act, except that such section shall be applied (i) without regard to the age increase factor, and (ii) as if the early retirement age under Section 216(l)(2) of that Act were sixty-two (62).

(k) Notwithstanding any provision of this Section 4.13 to the contrary, in the case of any benefit payable to or with respect to any person who was a Participant in the Plan before January 1, 1983, (1) the Pension Administrative Committee may elect to apply the transition rules set forth in Sections 235(d) and 235(g)(3) of the Tax Equity and Fiscal Responsibility Act of 1982, and (2) the limitations of this Section shall be adjusted as necessary in accordance with the provisions of Section 235(g)(4) of that Act.

Notwithstanding any provisions of this Section 4.14 to the contrary, in the case of any benefit payable to or with respect to any person who was a Participant in the Plan before January 1, 1987, the limitations of this Section shall be adjusted, as necessary, in

accordance with the provisions of Section 1106(g)(3) of the Tax Reform Act of 1986.

4.15 CERTAIN CASH OUTS AND REPAYMENTS. (a) For purposes of this Section 4.15:

(i) For distributions made before September 1, 1996, if, following a Participant's Severance Date prior to the commencement of his monthly benefit payment, (i) the monthly benefit payment payable hereunder to such Participant, or to his Spouse or Beneficiary, shall fall below $100, and (ii) the Actuarial Equivalent of the entire nonforfeitable benefit to which he is entitled is not in excess of $2000, the Pension Administrative Committee shall distribute to such Participant, Spouse or Beneficiary the Actuarial Equivalent of such nonforfeitable benefit in a lump sum as soon as administratively feasible after such Severance Date.

(ii) For distributions made on or after September 1, 1996, if, following a Participant's Severance Date prior to the commencement of his monthly benefit payment, the Actuarial Equivalent of the entire nonforfeitable benefit to which he is entitled is not in excess of $3,500, the Pension Administrative Committee shall distribute to such Participant, Spouse or Beneficiary the Actuarial Equivalent of such nonforfeitable benefit in a lump sum as soon as administratively feasible after such Severance Date.

(iii) If a Participant who receives his benefit pursuant to subsections 4.15(a)(i) or 4.15(a)(ii) is re-employed by a Participating Employer and again becomes a Participant in this Plan, the Credited Service with respect to which such distributed benefit was determined shall be disregarded unless such Participant repays to the Fund the entire amount of such distribution, plus Credited Interest thereon, before the earlier of five years after the first date on which the Participant is subsequently reemployed by an Employer, or the close of the first period of five consecutive one-year Breaks in Service, commencing after the distribution. For purposes of this Section 4.15, the Actuarial Equivalent of a benefit to which a Participant, Spouse or Beneficiary is entitled shall be:

(A) the Actuarial Equivalent of the benefit payable at an Early Retirement Date pursuant to Section 4.03 in the case of a Participant, Spouse or Beneficiary who is entitled to such benefit; or

(B) the Actuarial Equivalent of the Normal Retirement Benefit payable pursuant to Section 4.01 with respect to a Participant, Spouse or Beneficiary who is not described in clause (A) next above.

(b) If a Participant becomes entitled to a distribution

under the Plan following his Severance Date, and if:

(i) such Participant is a Constituent Plan Participant or a Merged Plan Participant in a Constituent Plan or a Merged Plan described in any of Articles XIII, XIV or XVI;

(ii) the aggregate Actuarial Equivalent of the entire non-forfeitable benefit to which the Participant is entitled under this Plan, and his accrued benefit under a Constituent Plan or his Merged Plan Benefit under a Merged Plan, exceeds $3500;

(iii) the Participant receives a lump sum distribution of the Actuarial Equivalent of his accrued benefit under a Constituent Plan or his Merged Plan Benefit under a Merged Plan; and

(iv) following distribution of his accrued benefit under a Constituent Plan or his Merged Plan Benefit under a Merged Plan, the entire nonforfeitable benefit to which the Participant is entitled under this Plan is not in excess of $3500,

then such Participant may request, by written instrument delivered to the Pension Administrative Committee within ninety (90) days after his Severance Date, to receive payment of the Actuarial Equivalent of such benefit under this Plan in a lump sum. In such event, the Pension Administrative Committee shall distribute to such Participant the Actuarial Equivalent of such benefit under this Plan, determined as of the Severance Date, in a lump sum as soon as administratively feasible after the date such written instrument is received.

(c) A lump sum benefit that is the Actuarial Equivalent of zero dollars shall be deemed to be paid to a Participant whose Severance Date or death occurs before he completes five (5) years of Vesting Service, and before he attains his Normal

Retirement Date.

(d) (i) This subsection (d) applies to distributions made pursuant to this Section 4.15 on or after January 1, 1993. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a Distributee's election under this subsection, a Distributee may elect, at the time and in the manner prescribed by the Pension Administrative Committee, to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the Distributee in a Direct Rollover.

(ii) Definitions.

(A) "Eligible Rollover Distribution" is any distribution pursuant to this Section 4.15 of all or any portion of the balance to the credit of the Distributee, except that an Eligible Rollover Distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's designated beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Section 401(a)(9) of the Code; and the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities).

(B) "Eligible Retirement Plan" is an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, an annuity plan described in Section 403(a) of the Code, or a qualified trust described in Section 401(a) of the Code, that accepts the Distributee's Eligible Rollover Distribution. However, in the case of an Eligible Rollover Distribution to the Surviving Spouse, an Eligible Retirement Plan is an individual retirement account or individual retirement annuity.

(C) "Distributee" includes an Employee or former Employee. In addition, the Employee's or former Employee's Surviving Spouse, and the Employee's or former Employee's Spouse or former Spouse who is the alternate payee under a qualified domestic relations order as defined in Section 414(p) of the Code, are Distributees with regard to the interest of the Surviving Spouse, Spouse or former Spouse.

4.16 AUTHORIZED DEDUCTIONS. Notwithstanding anything to the contrary contained herein, if a Participant who has commenced receiving benefit payments hereunder or a Surviving Spouse or Beneficiary of a deceased Participant (1) elects to join, or to continue in, a medical or life insurance program provided by the Company, and (2) authorizes the deduction of the amount to be paid by him under any such program from the benefit payable to him pursuant to the Plan, the Pension Administrative Committee may direct the Trustee to deduct such amount (as from time to time certified to the Trustee

by the Pension Administrative Committee) from the benefit payable to such Participant Surviving Spouse or Beneficiary pursuant to the Plan and to pay such amount directly to the Company; provided, however, that no deduction shall be made until the Company files a written acknowledgement with the Pension Administrative Committee that satisfies the requirements of Treasury Regulations section 1.401(a)-13(e)(2), and no deduction shall be made after such Participant, Surviving Spouse or Beneficiary shall have revoked his authorization of such deduction.

ARTICLE V

Optional Forms of Pension

5.01 ELECTION OF OPTION. (a) In lieu of the amount and method of payment of a monthly benefit payable under Section 4.06, and subject to the provisions of this Section 5.01, a Participant may elect by written request (which may be an original request or a revocation or an amendment of a prior request) to receive payment of the Actuarial Equivalent of such benefit in accordance with such of the following options as he may elect with the consent of his Eligible Spouse if applicable:

(i) STRAIGHT LIFE ANNUITY. A monthly benefit payable to a Participant for his lifetime;

(ii) TEN-YEARS CERTAIN. A monthly benefit of a smaller amount, payable to the Participant for his lifetime and, in the event of the Participant's death before the end of a 10-year period commencing with the date on which payments commenced, the same benefit amount shall be payable to the Beneficiary designated by the Participant in a writing filed with the Pension Administrative Committee before his death for the remainder of such period; or

(iii) JOINT-AND-SURVIVOR. A monthly benefit payable to the Participant for the joint lives of the Participant and his Eligible Spouse and thereafter to the Eligible Spouse if such Spouse survives the Participant in an amount equal to 100% of the amount payable during their joint lives.

(b) The value of the single-sum Actuarial Equivalent of any benefit payable under the Plan to a Participant (other than a Qualified Joint and Survivor Annuity) shall be greater than the value of the single-sum Actuarial Equivalent of the benefit, if any, payable to his Beneficiary or Eligible Spouse, computed at the date of his Retirement.

(c) Within a reasonable time prior to the first to occur of the commencement of benefit payments to a Participant and the Participant's Normal Retirement Date, and again within a reasonable time prior to the commencement of benefit payments to a Participant who Retires on a Postponed Retirement Date, the Pension Administrative Committee shall give such Participant written notice, in nontechnical terms, of his right to elect not to receive benefits pursuant to Section 4.06 above and of his right to make an election of an optional form of payment of such benefits pursuant to subsection (a) above. Such notice shall include a description of (i) the terms and conditions of the normal form of benefit under Section 4.06, (ii) the Participant's right to make and the effect of an election to waive such form, (iii) the rights of the Participant's Eligible Spouse, if any, not to consent to such election, (iv) the right to make, and the effect of, a revocation of such an election, (v) the optional forms of payment available under subsection (a) above, and (vi) the right to request an estimate of the financial effect upon the Participant's pension benefits of waiving the form of benefit available under Section 4.06 above and electing one of the optional forms of payment under subsection (a) above.

(d) The elections provided in Section 4.06 and subsections (a) above may be made by the Participant by giving a written notice of election to the Pension Administrative Committee at any time during the Election Period consisting of the ninety (90) day period ending on either the date benefit payments commence, or on his Normal Retirement Date, as applicable. Any election provided in Section 4.06 and subsection (a) above may be modified or revoked at any time before the date benefit payments commence and, except as otherwise provided in Section 5.02, shall be automatically revoked if the Participant dies before commencement of payment of his benefits to him.

(e) If a Participant makes a request for additional information pursuant to subsection (c) above with respect to the elections provided in Section 4.06 or subsection (a) above on or before the last day of the Election Period, the Election Period shall be extended to the extent necessary to include at least the ninety (90) calendar days immediately following the day the additional requested information is personally delivered or mailed to the Participant.

(f) Any election by a Participant not to receive benefits in the normal form set forth in Section 4.06 shall not take effect unless such Participant's Eligible Spouse irrevocably consents in writing to such election, such consent acknowledges the effect of such election and such consent is witnessed by a representative of the Plan or a notary public, unless the Participant establishes to the satisfaction of the Pension Administrative Committee that such consent may not be obtained because there is no Eligible Spouse, the Eligible Spouse cannot be located, or because of such other circumstances as the Secretary of the Treasury may by regulations prescribe. If a

Participant who has an Eligible Spouse elects to have benefits paid to a Beneficiary other than such Eligible Spouse, the consent by such Eligible Spouse required under this subsection (f) must acknowledge the specific Beneficiary. In such event, the Participant may not subsequently change Beneficiaries without the consent of his Eligible Spouse. Any consent by an Eligible Spouse shall be irrevocable. Any consent by an Eligible Spouse, or establishment that the consent of an Eligible Spouse may not be obtained, under this subsection, shall be effective only with respect to such Eligible Spouse.

5.02 DEATH OF PARTICIPANT BEFORE BENEFIT COMMENCEMENT. If a Participant who has elected option (ii) or option (iii) under Section 5.01(a) above shall die prior to his Normal Retirement Date and prior to the date of commencement of payment pursuant to such option, no death benefit will be payable under such option to his Beneficiary (provided that nothing in this sentence shall be construed as limiting any death benefit payable pursuant to Section 4.07 or 4.08 above). If a Participant who has elected option (i), (ii) or (iii) under Section 5.01(a) above shall die on or after his Normal Retirement Date, but before actual Retirement, and if such Participant is survived by a Surviving Spouse or Dependent Children, the election of such option shall be automatically revoked. If a Participant described in the preceding sentence is not survived by a Surviving Spouse or Dependent Children, a death benefit, if any, shall be payable to his Beneficiary under such option as if he had retired at the end of the calendar month next preceding the date of his death.

5.03 PAYMENTS UNDER OPTION (II). A Participant who has elected option (ii) under Section 5.01(a) above may change his designation of Beneficiary at any time before his death; but if no Beneficiary has been designated or if the Beneficiary does not survive the Participant, the Actuarial Equivalent of the remaining monthly benefit amounts due under said option (ii) shall be paid to the estate of such Participant in a lump sum. If the Beneficiary of an option (ii) election by a Participant shall die subsequent to such Beneficiary's becoming entitled to payments hereunder and no successor Beneficiary shall have been properly designated by such Participant, the Actuarial Equivalent of the remaining monthly benefit amounts due thereunder shall be paid to the estate of such deceased Beneficiary in a lump sum.

5.04 PAYMENTS UNDER OPTION (III). If the Participant has elected option (iii) under Section 5.01(a) and his Eligible Spouse shall die before the date on which payment of the Participant's benefit commences, the option so elected will be automatically canceled and the monthly benefit payable to such Participant hereunder will be made as though the election of the option had not been made, except that Participant may again elect an optional form of benefit in accordance with Section 5.01(a) above.

5.05 ACTUARIAL EQUIVALENCE. (a) Actuarial Equivalence of optional forms of benefit in the normal form, where no other

particular assumptions are required by ERISA or other applicable law or regulations thereunder, shall be determined on the basis of the adjustment factors specified in: Exhibit B (joint and 50% survivor), Exhibit C (joint and 100% survivor), or Exhibit D (life with ten years certain).

(b) The following shall apply for purposes of determining the Actuarial Equivalent of a lump sum distribution:

(i) For distributions made before September 1, 1996, the interest rate shall be

(A) the interest rate that would be used (as of the first day of the applicable Plan Year) by the Pension Benefit Guaranty Corporation for purposes of determining the present value of a lump sum distribution on plan termination if the Actuarial Equivalent of the Participant's vested Accrued Benefit (using such rate) does not exceed $25,000, or

(B) 120% of such Pension Benefit Guaranty Corporation interest rate if the Actuarial Equivalent of the Participant's vested Accrued Benefit exceeds $25,000 (as determined under clause (A)). In no event, however, shall the present value determined under clause (B) be less than $25,000.

The mortality rate shall be that set forth in the 1984 Unisex Pension Table (set one year forward for males, four years backward for females, with 75% male/25% female blended annuities).

(ii) For distributions made on and after September 1, 1996, the interest rate shall be the annual rate of interest on 30-year Treasury securities in effect for the month of November last preceding the first day of the Plan Year in which the distribution is made, and the mortality rate shall be that set forth in the 1983 Group Annuity Mortality Table (50% male and 50% female rates). Notwithstanding the preceding sentence: (A) any determination of Actuarial Equivalence made on and after September 1, 1996 and prior to January 1, 1997 pursuant to this subsection 5.05(b)(ii) shall use the annual rate of interest on 30-year Treasury securities in effect either for the month of November, 1995, or for the month of January, 1996, whichever results in the larger payment, and (B) any determination of lump sum Actuarial Equivalence made on and after January 1, 1997 and prior to September 1, 1997 shall use the annual rate of interest on 30-year Treasury securities in effect either for the month of November, 1996 or for the month of January, 1997, whichever results in the larger payment.

(c) Notwithstanding the foregoing, for purposes of determining the Actuarial Equivalent of a benefit accrued for a Participant at his Normal Retirement Date under Section 4.10(d)(iv) and 4.10(e), an interest rate of 5% shall be used. For purposes of Plan funding, the Actuary shall retain the right to modify the actuarial assumptions as needed to enable certification of Plan costs on a reasonable and appropriate basis. Notwithstanding the foregoing, except as otherwise permitted by law, in no event shall this Section 5.05 be applied to reduce the Accrued Benefit of any Participant below the Accrued Benefit to which he was entitled on the date as of which this Section was incorporated into the Plan or the effective date of any amendment to this Section, based on his Credited Service and Covered and Excess Compensation (as defined in Article II on such date) to such date, and on the terms of the Plan as in effect immediately prior to such date.

5.06 Other Benefits. This Plan provides for no benefits payable in the event of death, dismissal, resignation or other termination of employment of a Participant except as specifically set forth in Articles IV and V hereof, and except upon termination of this Plan as set forth in Article XI below, and Participants and their Surviving Spouses and Beneficiaries shall be entitled to only the benefits expressly provided for in the Plan.

ARTICLE VI

Contributions

6.01 COMPANY CONTRIBUTIONS. For each Plan Year during the continuance of the Plan, the Company shall pay the entire cost of the Plan with respect to Participants in its employment, and in the employment of other Participating Employers, and their Spouses and Beneficiaries; and intends, but does not guarantee, to contribute to the Fund an amount which will, as shown on the annual report of the Plan's Actuary, meet the minimum funding standards of Section 412 of the Code and Sections 302 through 306 of ERISA and the regulations thereunder. All Company contributions to the Plan are conditioned upon the qualification of the Plan under Section 401(a) of the Code and upon deductibility of the contribution under Section 404 of the Code.

6.02 EMPLOYEE CONTRIBUTIONS. After December 31, 1972, the Participants are neither required nor permitted to make contributions to the Fund under the Plan.

ARTICLE VII

Miscellaneous Provisions Respecting Participants

7.01 INFORMATION FROM PARTICIPANTS. Participants shall furnish to the Pension Administrative Committee such information as it considers necessary or desirable for the purpose of administering the Plan. If such information is not submitted or shows that such information previously has been misstated on the records of the Plan, the Pension Administrative Committee will make such corrections and adjustments for the purposes of the Plan in accordance with the available facts as it considers appropriate.

7.02 EMPLOYER RECORDS CONTROLLING. The regularly kept records of each Employer shall be conclusive and binding upon all persons with respect to the nature and length of employment, the type and amount of compensation paid and the manner of payment thereof, the type and length of absence from work and all other matters contained therein relating to Employees of such Employer.

7.03 SPENDTHRIFT CLAUSE. (a) Except as provided in subsection (b) below, or Section 8.07 of the Plan, benefit amounts payable under the Plan to a Participant, a Spouse, or a Beneficiary (except a minor or person under legal disability), shall be made only to him and upon his personal receipt; and no benefit payable under the provisions of this Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, and any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber or charge shall be void; nor shall the Fund or any part thereof be in any manner liable for or subject to the debts, contracts, liabilities, engagements or torts of the person entitled to any benefit payment.

(b) Notwithstanding the provisions of subsection (a) above, all or any part of the Accrued Benefit of a Participant shall be subject to and payable in accordance with the applicable requirements of any Qualified Domestic Relations Order, as that term is defined in Section 206(d)(3) of ERISA, and the Pension Administrative Committee shall direct the Trustees to provide for payment in accordance with such Order and Section and any regulations promulgated under such Section. All such payments pursuant to Qualified Domestic Relations Orders shall be subject to reasonable rules and regulations promulgated by the Pension Administrative Committee; provided that such rules and regulations are consistent with such Section. If prior to the commencement of payment to or with respect to a Participant of any benefit hereunder, any amount of his Accrued Benefit is paid to an alternate payee or payees pursuant to a Qualified Domestic Relations Order, the amount of his Accrued Benefit shall be reduced by the Actuarial Equivalent of any such payment.

7.04 NOT EMPLOYMENT CONTRACT. Nothing contained in this Plan shall be construed as a contract of employment between any Employer and any Employee, or as giving the right to any Employee to be continued in the employment of such Employer or as a limitation of the right of any Employer to discharge any Employee at any time with or without cause.

7.05 FAILURE TO MAINTAIN CONTACT. Each person entitled to benefits under this Plan shall file with the Pension Administrative Committee from time to time in writing his complete mailing address and each change of mailing address. Any check representing payment hereunder and any communication addressed to a Participant or to any other person at his last address so filed, or if no such address has been filed then at his last address indicated on the records of the Employer, shall be deemed to have been received by such person for all purposes of the Plan; and neither the Pension Administrative Committee, nor the Employer, nor the Trustees, shall be obliged to search for or ascertain the location of any such person. If a check representing payment of benefits hereunder to a Participant (or a Surviving Spouse or Beneficiary) is returned unclaimed to the Pension Administrative Committee and such benefits remain unclaimed for two years, the benefits of the Participant (or Surviving Spouse or Beneficiary) shall be deemed forfeited; PROVIDED, HOWEVER, that if at any time thereafter the Participant (or Surviving Spouse or Beneficiary) makes a claim for such benefits, such benefits shall be reinstated and may be paid as an expense of the Plan.

7.06 CLAIMS. No claim or application for benefits is required for commencement of benefits under this Plan. Any claim for benefits which are not received shall be made in writing to the Pension Administrative Committee. In the event a claim for benefits is wholly or partially denied by the Pension Administrative Committee, the Pension Administrative Committee shall, within a reasonable period of time, but no later than ninety (90) days after receipt of the claim, notify the claimant in writing of the denial of the claim. If the claimant shall not be notified in writing of the denial of the claim within ninety (90) days after it is received by the Pension Administrative Committee, the claim shall be deemed denied. A notice of denial shall be written in a manner calculated to be understood by the claimant, and shall contain (a) the specific reason or reasons for denial of the claim, (b) a specific reference to the pertinent Plan provisions upon which the denial is based, (c) a description of any additional material or information necessary for the claimant to perfect the claim, together with an explanation of why such material or information is necessary, and (d) an explanation of the Plan's review procedure. Within sixty (60) days of the receipt by the claimant of the written notice of denial of the claim, or within sixty (60) days after the claim is deemed denied as set forth above, if applicable, the claimant may file a written request with the Pension Administrative Committee that it conduct a full and fair review of the denial of the claimant's claim for benefits, including the conducting of a hearing, if deemed necessary by the Pension Administrative

Committee. In connection with the claimant's appeal of the denial of his benefit, the claimant may review pertinent documents and may submit issues and comments in writing. The Pension Administrative Committee shall render a decision on the claim appeal promptly, but not later than sixty (60) days after the receipt of the claimant's request for review, unless special circumstances (such as the need to hold a hearing, if necessary) require an extension of time for processing, in which case the sixty (60) day period may be extended to one hundred and twenty (120) days. The Pension Administrative Committee shall notify the claimant in writing of any such extension. The decision upon review shall (i) include specific reasons for the decision, (ii) be written in a manner calculated to be understood by the claimant and (iii) contain specific references to the pertinent Plan provisions upon which the decision is based.

7.07 SPECIAL BENEFIT LIMITATIONS. To prevent discrimination in favor of Highly Compensated Participants, the provisions of this Section 7.07 shall be applicable notwithstanding anything elsewhere contained in the Plan to the contrary.

(a) In this Section, the following terms shall have the meaning stated below:

1. "Accrued Benefit" shall have the meaning set forth in Article II.

2. "Actuarial Equivalent" shall have the meaning set forth in Article II.

3. "Benefit" shall include among other benefits under the Plan, loans in excess of the amounts set forth in Section 72(p)(2)(A) of the Code, any periodic income, any withdrawal values payable to a living Employee or former Employee and any death benefits under the Plan not provided for by insurance on the Employee's or former Employee's life.

4. "Covered Compensation" shall have the meaning set forth in Article II.

5. "Current Liabilities" shall have the meaning set forth in Section 412(1)(7) of the Code.

6. "Highly Compensated Participant" shall mean a Participant who, during the current Plan Year or the preceding Plan Year, (a) was at any time a 5% owner of the Company or any Employer, (b) received Covered Compensation from the Company or any Employer in excess of $75,000 (or such greater amount provided by the Secretary of the Treasury pursuant to Section 414(q) of the Code), (c) received Covered Compensation from the Company or any Employer in excess of $50,000 (or such greater amount

provided by the Secretary of the Treasury pursuant to Section 414(q) of the Code) and was in the top paid group of Employees for such Plan Year, or (d) was at any time an officer of the Company or any Employer and received Covered Compensation from the Company or any Employer greater than 50% of the amount in effect under Section 415(b)(1)(A) of the Code for such Plan Year. The provisions of Section 414(q) of the Code shall apply in determining whether a Participant is a Highly Compensated Participant. The Company for any Plan Year may elect to identify Highly Compensated Participants based upon the current Plan Year to the extent permitted by Section 414(q) of the Code and regulations issued thereunder.

7. "Social Security Supplement" shall have the meaning set forth in Internal Revenue Service Regulation Section 1.411(a)-7(c)(4)(ii).

(b) LIMITATIONS.

1. In the event of termination of the Plan, the Benefit of any Highly Compensated Participant (and any former Highly Compensated Participant) is limited to a Benefit that is nondiscriminatory under Section 401(a)(4) of the Code.

2. In any Plan Year, the payments under the Plan to or on behalf of any Employee described in paragraph (c) shall not exceed an amount equal to the payments that would be made to or on behalf of the Employee in that Plan Year under:

(A) A straight life annuity that is the Actuarial Equivalent of the Accrued Benefit and other Benefits to which the Employee is entitled under the Plan (other than a Social Security Supplement), and

(B) The amount of the payments that the Employee is entitled to receive under a Social Security Supplement.

3. The restrictions in subparagraph 2 above do not apply, if any of the following requirements is satisfied:

(A) After payment to or on behalf of an Employee described in paragraph (c) of all Benefits payable to or on behalf of the Employee, the value of Plan assets equals or exceeds 110% of the value of Current Liabilities,

(B) The value of Benefits payable to or on behalf of an Employee described in paragraph (c) is less than

1% of the value of the Current Liabilities before distribution, or

(C) The value of the Benefits payable to or on behalf of an Employee described in paragraph (c) does not exceed the amount described in Section 411(a)(11)(A) of the Code.

(c) The Employees whose Benefits are restricted on distribution include all Highly Compensated Participants and former Highly Compensated Participants. A Highly Compensated Participant or former Highly Compensated Participant is not subject to restriction under this Section if he is not one of the 25 (or larger number chosen by the Company) nonexcludable Employees and former Employees of the Employers with the largest amount of Covered Compensation in the current or in any prior Plan Year.

ARTICLE VIII
Provisions Relating to The Plan Committees

8.01 ALLOCATION OF RESPONSIBILITY AMONG FIDUCIARIES FOR TRUST ADMINISTRATION. The Company ("Named Fiduciary"), Pension Finance Committee, Pension Administrative Committee and Trustees ("Fiduciaries") shall have only those specific powers, duties, responsibilities and obligations as are specifically given them under this Plan and the Trust. In general, the Company, through the Board, shall have the sole right to determine who shall be the Trustees (subject to the terms of the Trust), the members of the Pension Finance Committee and the members of the Pension Administrative Committee; the sole right to determine the funding policy of the Fund (within the limits set by the Actuary); and the sole responsibility to amend or terminate, in whole or in part, the Plan. The Company shall have the sole responsibility for making the contributions necessary to provide benefits under the Plan. The Pension Administrative Committee shall have the responsibility for administration of the Plan. The Trustees shall have the responsibility for and shall control and manage the operation and administration of the Trust and the assets held under the Trust in accordance with the Trust provisions. Each Fiduciary may rely upon any direction, information or action of another Fiduciary as being proper under the Plan, and is not required under the Plan to inquire into the propriety of any such direction, information or action. It is intended under this Plan that each Fiduciary shall be responsible for the proper exercise of its own powers, duties, responsibilities and obligations under this Plan and shall not be responsible for any act or failure to act of another Fiduciary. No Fiduciary guarantees the Fund in any manner against investment loss or depreciation in asset value. Any person may serve in more than one fiduciary capacity with respect to the Plan or Trust if, pursuant to the Plan and/or Trust Agreement, he is assigned or delegated any multiple fiduciary capacities.

8.02 PENSION FINANCE COMMITTEE. The Pension Finance Committee shall perform such duties and have such authority as is granted to it in the Trust Agreement, the provisions of which are hereby incorporated by reference. The Pension Finance Committee shall consist of one or more members who may be, but are not required to be, Employees. The members of the Pension Finance Committee shall be appointed by the President of the Company and shall serve at his discretion.

8.03 PENSION ADMINISTRATIVE COMMITTEE. Except to the extent that particular responsibilities are assigned or delegated to other Fiduciaries, pursuant to the Trust Agreement or other Sections of the Plan, the Pension Administrative Committee shall have the responsibility for administration of the Plan and shall have such powers as are necessary to carry out the provisions of the Plan. The Pension Administrative Committee shall consist of such members, not less than three (3), as shall from time to time be appointed and acting hereunder. The Pension Administrative Committee may also be the administrator of any other benefit plan or plans of any Employer if the President so provides. Each member of the Pension Administrative Committee shall be appointed by the President of the Company and shall thereafter serve until his death, resignation or removal from such office. Any member may resign at any time by notice in writing to the President of the Company and to the remaining members of the Pension Administrative Committee. The President of the Company may remove any member of the Pension Administrative Committee at any time by written notice to him and to the remaining members of the Pension Administrative Committee. Members of the Pension Administrative Committee may or may not be Employees. The Company shall notify the Trustees in writing of the membership of the Pension Administrative Committee and any changes therein and the Trustees will be protected in relying on such written notice in dealing with the Pension Administrative Committee.

The Pension Administrative Committee shall interpret the Plan and shall solely determine all questions arising in the administration, interpretation and application of the Plan, including but not limited to, questions of eligibility and the status and rights of Participants, Beneficiaries and other persons. The regularly kept records of the Company shall be conclusive and binding upon all persons with respect to an Employee's age, time and amount of Covered Compensation and the manner of payment thereof, and all other matters contained therein relating to Employees. All rules and determinations of the Pension Administrative Committee shall be uniformly and consistently applied to all persons in similar circumstances and shall be conclusive and binding on all persons.

8.04 THE SECRETARY OF THE PENSION ADMINISTRATIVE COMMITTEE. The Pension Administrative Committee will appoint a Secretary who may, but need not, be a member of the Pension Administrative Committee, and any document required to be filed with, or any notice required to be given to, the Pension Administrative Committee will be properly filed

or given if mailed by registered mail, or delivered, to the Secretary of the Pension Administrative Committee in care of the Company. The Company shall notify the Trustees in writing of the person appointed to act as Secretary of the Pension Administrative Committee and of any changes therein, and the Trustees will be protected in relying upon such written notice in dealing with the Secretary. The Secretary shall be the agent of the Plan for service of process.

8.05 RECORDS AND REPORTS OF THE PENSION ADMINISTRATIVE COMMITTEE. The Pension Administrative Committee shall have (a) the responsibility to comply with the reporting and disclosure requirements with respect to the Plan, including annual reports to the Department of Labor and the Internal Revenue Service and reports and premium payments to the Pension Benefit Guaranty Corporation, and (b) such other assignments with respect to the administration of the Plan designated by the President. The Pension Administrative Committee shall also exercise such authority and responsibility as it deems appropriate in order to comply with ERISA and governmental regulations issued thereunder relating to records of Participants' Vesting and Credited Service, Accrued Benefits, and whether such benefits are nonforfeitable under the Plan.

8.06 PENSION ADMINISTRATIVE COMMITTEE'S POWERS. The Pension Administrative Committee, as the same shall be from time to time constituted, shall have full power and authority, within the limits provided by the Plan:

(i) To determine all questions arising concerning the construction and interpretation of the Plan and in its administration, including, but not by way of limitation, the determination of the rights or eligibility under the Plan of Employees and Participants and their Eligible Spouses and Beneficiaries, and the amount of their respective benefits, and of the initial and continuing eligibility of a Participant's Surviving Spouse and children for benefits hereunder; and all such determinations shall be final and binding upon all persons whomsoever;

(ii) To adopt such rules and regulations as it may deem reasonably necessary for the proper and efficient administration of the Plan and consistent with its purpose;

(iii) To enforce the Plan, in accordance with its terms and with its own rules and regulations;

(iv) To direct the Trustees with respect to all matters involving distributions from the Fund;

(v) To receive and review the periodic reports of the Actuary;

(vi) To prepare and distribute, in such manner as the Pension Administrative Committee determines to be appropriate, information explaining the Plan;

(vii) To create subcommittees and appoint agents, and to delegate such of its rights, powers and discretions to such subcommittees or agents as it deems desirable; and

(viii) To do all other acts, in its judgment necessary or desirable, for the proper and advantageous administration of the Plan;

and the due exercise by the Pension Administrative Committee of any and all of such powers and authorities shall be conclusive and binding on all persons whomsoever for the purposes of the Plan.

8.07 DISTRIBUTIONS TO PERSONS UNDER DISABILITY. In the event any portion of the Fund becomes distributable under the terms hereof to any person who is a minor or under a legal disability or is, although not adjudicated incompetent by reason of illness or mental disability, in the opinion of the Pension Administrative Committee unable properly to handle his own affairs, the Pension Administrative Committee, in its sole discretion, may direct that such distributions shall be made in any one or more of the following ways:

(a) Directly to said minor or other person;

(b) To the legal guardian or conservator of said minor or other person;

(c) To the spouse, parent, brother, sister, child or other relative of said minor or other person for the use of said minor or other person; or

(d) For the expenditures of the same for the education, health, maintenance and support of said minor or other person.

Except as to (d) above, the Pension Administrative Committee shall not be required to see to the application of any distributions so made to any of said persons, but his or their receipts therefor shall be a full discharge of the liability of the Pension Administrative Committee and the Fund to such minor or other person therefor.

8.08 COMMITTEE ACTIONS. The Pension Administrative Committee and each subcommittee shall act with or without a meeting by the vote or concurrence of a majority of its members; but no member who is a Participant shall take part in Pension Administrative Committee action on any matter that has particular reference to his own interest hereunder. A dissenting Pension Administrative Committee member who within a reasonable time after he has knowledge of any action or failure to act by the majority, registers his dissent in writing delivered to each other Committee members, the Secretary, the

Board, and the Trustees shall not be responsible for any such action or failure to act. All written directions by the Pension Administrative Committee may be made over the signature of its Secretary or the signatures of a majority of its members and all persons shall be protected in relying on such written directions.

8.09 COMMITTEE EXPENSES. The Company shall provide the Committees with all of the clerical, bookkeeping and stenographic help and facilities that may be necessary to enable it to perform its functions hereunder for the cost of which the Company may be reimbursed out of the Fund if requested by the Company. The Committees may appoint actuaries, consultants, accountants, legal counsel, or other agents, including the Trustees with their consent, as they deem advisable to assist in carrying out their duties hereunder.

8.10 RULES AND DECISIONS. Subject to Section 5.05 above, the Committees may adopt such rules and actuarial tables as they deem necessary, desirable or appropriate. All rules and decisions of the Committees shall be uniformly and consistently applied to all Participants in similar circumstances. When making a determination or calculation, the Committees shall be entitled to rely upon information furnished by a Participant, Spouse, or Beneficiary, the Company, an Employer, legal counsel, the Actuary or the Trustees.

8.11 INDEMNIFICATION BY THE COMPANY. The Committees and the individual members thereof, shall be indemnified by the Company against any and all liabilities arising by reason of any act or failure to act in good faith pursuant to the provisions of the Plan, including expenses reasonably incurred in the defense of any claim relating thereto.

8.12 FIDUCIARY DUTIES. All Fiduciaries shall discharge their duties solely in the interest of the Participants, Spouses and Beneficiaries and for the exclusive purpose of (a) providing benefits to Participants, Spouses and their Beneficiaries, and (b) defraying reasonable expenses of administering the Plan and Trust. They shall discharge their duties with care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

8.13 PROHIBITED TRANSACTIONS TO BE AVOIDED. The Fiduciaries shall not take any action, and shall not cause the Trust to engage in any transaction, prohibited under or in violation of Part 4 of Title I of ERISA, or which would subject any person or the Company to imposition of a tax under Section 4975 of the Code.

8.14 INFORMATION TO BE PROVIDED TO PARTICIPANTS AND OTHERS. At least once in each Plan Year, the Pension Administrative Committee shall furnish to each Participant, Spouse and Beneficiary requesting

the same in writing a statement indicating on the basis of the latest available information:

(a) his total Accrued Benefit, under the Plan;

(b) his total accrued benefit, if any, under a Prior Plan; and

(c) his nonforfeitable pension benefits, if any, which have accrued, or the earliest date on which benefits will become nonforfeitable.

For every Plan Year, the Pension Administrative Committee shall furnish to every Participant:

(i) whose employment is terminated during said Plan Year,

(ii) who is entitled to a deferred nonforfeitable benefit under the Plan, and

(iii) who was paid no benefit during said Plan Year,

a statement of the nature, amount and form of the deferred nonforfeitable benefits to which such Participant is entitled. The Pension Administrative Committee shall furnish and make available to Participants, Spouses and Beneficiaries, and to the Secretary of Labor or his delegate and to the Secretary of the Treasury or his delegate, such plan descriptions, summaries, reports, registration statements, notifications and other documents that may be required by ERISA and the Code and regulations thereunder.

8.15 ANNUAL REPORTS. The Pension Finance Committee and the Pension Administrative Committee shall prepare, or cause to be prepared, an annual report for each Plan Year containing such financial statement, actuarial reports and other information in such form and for such delivery and availability at such times and in such manner, all as may be required by ERISA and the Code and regulations thereunder and the Pension Administrative Committee shall retain such records for such periods as may be required by such laws and regulations.

ARTICLE IX

Provisions Relating to the Trust Fund

9.01 PURPOSE OF FUND. The Fund is maintained for the purposes of the Plan and the assets thereof will be held, invested, administered and distributed in accordance with the terms of the Trust.

9.02 NON-DIVERSION OF FUND. The Fund will be used and applied only in accordance with the Plan and no part of the principal or income of the Fund will be used for or diverted to purposes other than for the exclusive benefit of Participants, and their Spouses and Beneficiaries, in accordance with the provisions hereof, and for the payment, if not paid by the Company, of the expenses referred to in Section 9.03 below. Except as otherwise provided in Section 11.01 below, no Employer shall have any right, title or interest in the Fund or any part thereof and none of the contributions made thereto by the Company will revert to any Employer. However, without regard to the foregoing provisions of this Section 9.02:

(i) If contribution under the Plan is conditioned on initial qualification of the Plan under Section 401(a) of the Code and the Plan receives an adverse determination with respect to its initial qualification, the Trustee shall, upon written request of the Company, return to the Company the amount of such contribution (increased by earnings attributable thereto and reduced by losses attributable thereto) within one calendar year after the date that qualification of the Plan is denied, provided that the application for determination is made by the time prescribed by law for filing the Company's return for the taxable year in which the Plan is adopted, or such later date as the Secretary of the Treasury may prescribe;

(ii) If a contribution is conditioned upon the deductibility of the contribution under Section 404 of the Code, then, to the extent the deduction is disallowed, the Trustee shall upon written request of the Company, return the contribution (to the extent disallowed) to the Company within one year after the date the deduction is disallowed;

(iii) If a contribution or any portion thereof is made by the Company by a mistake of fact, the Trustee shall, upon written request of the Company, return the contribution or such portion to the Company within one year after the date of payment to the Trustee; and

(iv) Earnings attributable to amounts to be returned to the Company pursuant to subsection (b) or (c) above shall not be returned and losses attributable to amounts to be

returned pursuant to subsection (b) or (c) shall reduce the amount to be so returned.

9.03 FUND EXPENSES. All expenses incurred in the Administration of the Plan, including, but not limited to, expenses of the Company, the Pension Finance Committee and the Pension Administrative Committee and the expenses and compensation of their counsel, consultants, actuaries, accountants and other agents, and the expenses incurred by the Trustees in the administration of the Fund, including fees for legal services rendered to the Trustees, such compensation to the Trustees as may be agreed upon from time to time between the Company and the Trustees, and all other proper charges and expenses of the Trustees and of their agents and counsel, shall be paid from the Fund except to the extent the Company elects to pay such items. All taxes of any kind whatsoever that may be levied or assessed under existing or future laws upon the Fund or the income thereof, and investment expenses, shall be paid from the Fund.

ARTICLE X
Miscellaneous Provisions Respecting the Employers

10.01 NON-LIABILITY OF EMPLOYERS AND AGENTS. The Company will make contributions to the Fund for the purpose of providing the benefits under the Plan, but neither the Company, nor any other Employer, nor any of the officers or employees of the Company or any other Employer, guarantees in any manner the payment of such benefits. All contributions made by the Company will be paid into the Fund and all benefits payable under the Plan will be paid from the Fund alone. Any person claiming benefits under the Plan will look solely to the Fund for payment and no Participant, Spouse, or Beneficiary, shall have any right to, or interest in, any part of the Fund assets upon Retirement or otherwise except as, and to the extent, expressly provided in this Plan.

10.02 AMENDMENT OF PLAN. This Plan may be amended at any time and from time to time by the duly adopted resolution of the Board, but such power of amendment shall under no circumstances include the right in any way or to any extent to revest or otherwise transfer any interest in or to the Fund, or any income therefrom, to the Company or any other Employer, nor shall the power of amendment include the right in any way or to any extent to divest any Participant of the interest in the Fund to which he would be entitled if the Plan were terminated as of the date of such amendment. Neither shall such power of amendment be exercised in any way which would or could give to any Participant any right or thing of exchangeable value in advance of the receipt of distributions in accordance with the terms provided therefor. No amendment shall ever operate to enable any part of the corpus or income or other assets of the Fund to be used for or diverted to any purpose other than the exclusive benefit of Participants or their Spouses or Beneficiaries. Notwithstanding

the foregoing provisions of this Section 10.02, however, this Plan may be amended in any manner whatsoever, with prospective or retroactive effect, for the purpose of qualifying it under Section 401 of the Code or any similar law hereafter applicable.

10.03 COMPANY ACTIONS. All written directions by the Company and the exercise of any of the Company's rights, powers, discretions, privileges and duties may be effected by a certified copy of a resolution of the Board or its executive committee, or by a person or persons authorized by the Board or said executive committee to so act on behalf of the Company; and all persons shall be protected in relying on such written directions.

ARTICLE XI

Termination of the Plan and Distribution of the Fund

11.01 TERMINATING ACTS AND DISTRIBUTION PROCEDURES. The Company reserves the right, upon thirty (30) days' written notice to the Trustees, to terminate the entire Plan at any time by action of its Board. In the event of any such termination, the rights of all Participants to the benefits accrued to the date of such termination, all as more particularly set forth below in this Article XI, shall become nonforfeitable, except to the extent provided in Sections 7.05 and 7.07 above. For the period required to complete such termination, the Trustees shall continue to hold, administer, invest and distribute the Fund in accordance with the provisions of the Trust and the directions of the Pension Administrative Committee, unless and until the Pension Benefit Guaranty Corporation institutes proceedings under Section 4042 of ERISA. In the event of the termination of the Plan, the assets of the Fund available to provide benefits shall be allocated among the Participants and Beneficiaries in the following order:

(1) FIRST, THE ACTUARIAL EQUIVALENT OF THAT PORTION (IF ANY) OF THE BENEFIT OF EACH PARTICIPANT OR BENEFICIARY WHICH WAS DERIVED FROM A PARTICIPANT'S CONTRIBUTIONS;

(2) SECOND, IN THE CASE OF EACH PARTICIPANT AND BENEFICIARY TO WHOM AN ANNUITY WAS BEING PAID ON THE DATE OF SUCH TERMINATION AND AS OF THE BEGINNING OF THE THIRD (3RD) YEAR BEFORE SUCH TERMINATION DATE, THE ACTUARIAL EQUIVALENT OF THE BENEFIT DETERMINED AT THE LOWEST BENEFIT LEVEL PAID DURING SUCH THREE (3) YEAR PERIOD OR PROVIDED UNDER THE PLAN DURING THE FIVE (5) YEAR PERIOD BEFORE SUCH TERMINATION DATE;

(3) THIRD, IN THE CASE OF EACH PARTICIPANT AND BENEFICIARY TO WHOM AN ANNUITY WOULD HAVE BEEN PAYABLE

AT THE BEGINNING OF THE THIRD (3RD) YEAR BEFORE SUCH TERMINATION DATE IF THE PARTICIPANT HAD RETIRED PRIOR THERETO, THE ACTUARIAL EQUIVALENT OF THE BENEFIT DETERMINED AT THE LOWEST BENEFIT LEVEL PROVIDED UNDER THE PLAN DURING THE FIVE (5) YEAR PERIOD BEFORE SUCH TERMINATION DATE;

(4) FOURTH, THE ACTUARIAL EQUIVALENT OF EACH BENEFIT OF A PARTICIPANT AND BENEFICIARY OTHER THAN PROVIDED FOR IN FIRST, SECOND AND THIRD ABOVE WHICH IS GUARANTEED UNDER ERISA SECTION 4022 (DETERMINED WITHOUT REGARD TO PARAGRAPH (B)(5) THEREOF);

(5) FIFTH, THE ACTUARIAL EQUIVALENT OF EACH BENEFIT OF A PARTICIPANT OR BENEFICIARY OTHER THAN PROVIDED FOR IN FIRST, SECOND, THIRD OR FOURTH ABOVE WHICH IS NONFORFEITABLE UNDER THE PROVISIONS OF THE PLAN (OTHER THAN BENEFITS WHICH BECOME NONFORFEITABLE UPON TERMINATION UNDER THIS SECTION 11.01);

(6) SIXTH, THE ACTUARIAL EQUIVALENT OF EACH BENEFIT OF A PARTICIPANT OR BENEFICIARY OTHER THAN PROVIDED FOR IN FIRST, SECOND, THIRD, FOURTH AND FIFTH, ABOVE, PROVIDED FOR UNDER THE PLAN.

If the assets of the Fund available for allocation under any of paragraphs FIRST, SECOND, THIRD and FOURTH, above are insufficient to satisfy in full all of the benefits described in such paragraph, such assets shall be allocated PRO RATA among such benefits on the basis of the Actuarial Equivalent referred to in such paragraph of their respective benefits; and if the assets of the Fund available for allocation under paragraph FIFTH above are insufficient to satisfy in full all of the benefits described in such paragraph, such assets shall be allocated among such benefits PRO RATA as such benefits are determined under the Plan as in effect at the beginning of the five (5) year period ending on such termination date and if sufficient for that purpose, and if the Plan has been amended during such five (5) year period, the remainder available for allocation under paragraph FIFTH shall be allocated PRO RATA among any benefits in addition to such benefits (as were in effect at the beginning of such five (5) year period) for which each such amendment provided, in the order of occurrence until all such assets are exhausted. The manner and time of paying benefits not already being paid shall be determined by the Pension Administrative Committee (or the Company if there is no Pension Administrative Committee) subject to the applicable provisions of ERISA and the Code. After all expenses of administration of the Plan have been provided for, and all liabilities of the Plan to Participants employed by an Employer, former Participants and their respective Spouses and Beneficiaries have been satisfied, the Company shall be entitled to any remaining balance of such assets.

11.02 PARTIAL TERMINATION OF PLAN. If a Participating Employer shall discontinue its participation in the Plan in whole or in substantial part by any one or more of the following actions:

(a) The termination or partial termination of that Employer's business with consequent termination of employment of a substantial number of Participants employed by such Employer; or

(b) Disposition of all or a substantial part of its business operations unless the acquiring entity, with the consent of the Board, continues the Plan and assumes the responsibilities of a Participating Employer under the Plan,

then the Plan shall be deemed to be terminated with respect to such Participating Employer and as it relates to, and is for the benefit of, the affected Participants to the extent that they are or have been Employees of such Participating Employer, and their respective Surviving Spouses and Beneficiaries, other than any such Participant who may by a transfer of his employment continue his participation in the Plan. In the event of any such partial termination, the rights of all affected Participants (and Surviving Spouses and Beneficiaries) to the benefits accrued to the date of such termination, all as more particularly set forth in this Article XI, shall become non-forfeitable, except to the extent provided in Sections 7.05 and 7.07 above. Upon any such partial termination, an appropriate portion of the assets of the Fund attributable to the Participants (and Surviving Spouses and Beneficiaries) affected by such partial termination shall be separated by the Trustees with the aid and counsel of the Actuary and the accountants for the Plan and in accordance with applicable rules in ERISA or regulations thereunder, and such separated portion of the assets of the Fund shall be allocated among the Participants (and Surviving Spouses and Beneficiaries) affected by such partial termination in accordance with the provisions of Section 11.01 above.

11.03 MERGER. In the event of any merger or consolidation of part or all of the Plan with, or the transfer of part of all of its assets or liabilities to, any other plan or trust ("other plan") each Participant in the Plan whose interests were so merged, consolidated or transferred into, with, or to the other plan shall be entitled to receive a benefit immediately thereafter (if the other plan then terminated) which would be equal to or greater than the benefit he would have been entitled to receive immediately theretofore (if this Plan then terminated).

ARTICLE XII

Top-Heavy Provisions

12.01 TOP-HEAVY STATUS. The provisions of this Article shall not apply to the Plan with respect to any Plan Year for which the Plan is not Top-Heavy (except as provided in subsections 12.05(b) and 12.05(c)). If the Plan is or becomes Top-Heavy in any Plan Year, the provisions of this Article XII will supersede any conflicting provisions elsewhere in the Plan.

12.02 DEFINITIONS. For purposes of this Article XII, the following words and phrases shall have the meanings stated below unless a different meaning is plainly required by the context:

(a) "Compensation" shall, for any Plan Year in which the Plan is Top-Heavy, have the meaning set forth in Section 414(q)(7) of the Code.

(b) "Determination Date" shall mean, with respect to any Plan Year: (i) the last day of the preceding Plan Year, or (ii) in the case of the first Plan Year of the Plan, the last day of such Plan Year.

(c) "Key Employee" shall mean an Employee meeting the definition of "key employee" contained in Section 416(i)(1) of the Code and the Treasury Regulations interpreting said Section.

(d) "Non-Key Employee" shall mean any Employee who is not a Key Employee.

(e) "Permissive Aggregation Group Plan" shall mean any plan of the Company or an Affiliated Company which is not in the Required Aggregation Group and which, when considered with the Required Aggregation Group Plans, meets the requirements of Sections 401(a)(4) and 410 of the Code.

(f) "Required Aggregation Group Plan" shall mean (1) each plan of the Company or an Affiliated Company in which a Key Employee is a participant, and (2) each other plan of the Company or an Affiliated Company which enables any plan described in (1) to meet the requirements of Sections 401(a)(4) and 410 of the Code.

(g) "Valuation Date" shall mean with respect to a particular Determination Date, the most recent date for valuation of the Fund occurring within a twelve (12) month period ending on the applicable Determination Date and used for computing Plan costs for purposes of the minimum funding requirements of the Code.

12.03 DETERMINATION OF TOP-HEAVY STATUS. (a) The Plan will be "Top-Heavy" with respect to any Plan Year if, as of the Determination Date applicable to such Year, the ratio of the present value of Accrued Benefits under the Plan for Key Employees (determined as of the Valuation Date applicable to such Determination Date) to the present value of Accrued Benefits under the Plan for all Employees (determined as of such Valuation Date) exceeds 60%. For purposes of computing such ratio, and for all other purposes of applying and interpreting this subsection (a), the provisions of Section 416 of the Code and all Treasury Regulations interpreting said Section shall be applied.

(b) For purposes of determining whether the Plan is Top-Heavy, all qualified retirement plans that are Required Aggregation Group Plans shall be aggregated. All qualified retirement plans that are Permissive Aggregation Group Plans shall be aggregated only to the extent permitted by Section 416 of the Code, and Treasury Regulations promulgated thereunder, and elected by the Company.

12.04 ACTUARIAL ASSUMPTIONS. For purposes of determining whether the Plan is Top-Heavy, the actuarial assumptions provided in Section 5.05 above shall be used.

12.05 VESTING. (a) If the Plan becomes Top-Heavy, the vested interest of a Participant in the portion of his Accrued Benefit referred to in subsection (b) below shall be determined in accordance with the following formula in lieu of the provisions of Sections 4.04 and 4.10 above:

Years of Vesting Service	Vested Percentage	Forfeitable Percentage
Less than 2	0%	100%
2 but less than 3	20%	80%
3 but less than 4	40%	60%
4 but less than 5	60%	40%
5 or more	100%	0%

For purposes of the above schedule, years of Vesting Service shall include all years of Vesting Service required to be counted under section 411(a) of the Code, disregarding all years of Vesting Service permitted to be disregarded under Section 411(a)(4) of the Code.

(b) The vesting schedule set forth in subsection (a) above shall apply to all Accrued Benefits which have accrued while the Plan is Top-Heavy and during the period of time before the Plan becomes

Top-Heavy. This vesting schedule shall not apply to the Accrued Benefit of any Employee who does not have an Hour of Service after the Plan becomes Top-Heavy.

(c) If the Plan becomes Top-Heavy and subsequently ceases to be Top-Heavy, the vesting schedule set forth in subsection (a) above shall automatically cease to apply, and the provisions of Sections 4.04 and 4.10 above shall automatically apply, with respect to all Accrued Benefits which accrue to a Participant for all Plan Years after the Plan Year with respect to which the Plan was last Top-Heavy. For purposes of this subsection (c), this change in vesting provisions shall only be valid to the extent that the conditions of Section 10.02 above and Section 411(a)(10) of the Code are satisfied.

12.06 MINIMUM BENEFIT. (a) If the Plan shall be Top-Heavy, the Accrued Benefit at any point in time for each Non-Key Employee described in subsection (c) below shall be the Actuarial Equivalent (based on the assumptions set forth in Section 12.04 above) of a single life annuity payable over the life of the Non-Key Employee, commencing on his sixty-fifth (65th) birthday, equal to a percentage of such Employee's average Compensation for the five consecutive Plan Years when the Employee had the highest aggregate amount of such Compensation from any Employers. Such percentage shall equal the lesser of (i) two percent (2%) multiplied by such Employee's years of service (as computed pursuant to subsection (b) below), or (ii) twenty percent (20%). The minimum benefit payable pursuant to this Section 12.06 will be determined without regard to any contributions for any Employee under the Federal Social Security Act. Notwithstanding the provisions of Section 4.09, if the benefit payments of a Non-Key Employee do not commence until after his sixty-fifth (65th) birthday or are suspended for any period after his sixty-fifth (65th) birthday pursuant to Section 4.09, the Accrued Benefit required under this Section upon the commencement or recommencement of benefit payments to such Non-Key Employee after his sixty-fifth (65th) birthday shall be adjusted so that it is equal to the Actuarial Equivalent of the Accrued Benefit required by this Section at his sixty-fifth (65th) birthday minus the Actuarial Equivalent of any benefit payments previously made to or with respect to the Participant.

(b) For purposes of this Section 12.06, years of service shall not include Plan Years when (i) the Plan was not Top-Heavy for any Plan Year ending during such year of service, and (ii) years of service completed in a Prior Plan year beginning before January 1, 1984.

(c) Each Non-Key Employee who completes at least 1,000 Hours of Service in a Plan Year shall accrue the minimum Accrued Benefit described in subsection (a) above for such Plan Year. A Non-Key Employee shall not fail to accrue such benefit merely because the Employee was not employed on a specific date or because he failed to earn a minimum amount of Compensation for such Year.

(d) For purposes of subsection (c) above, Compensation in Prior Plan years ending before January 1, 1984 and Compensation in Plan Years after the close of the last Plan Year in which the Plan is Top-Heavy shall be disregarded.

12.07 PARTICIPATION IN MORE THAN ONE PLAN. In the event that a Participant is simultaneously covered under this Plan, at a time when the Plan is Top-Heavy, and a defined contribution plan of the Company or an Affiliated Company, at a time when the plan is Top-Heavy, the Participant shall be entitled only to the defined benefit minimum under this Plan, and not to the defined contribution minimum under the defined contribution plan.

12.08 MAXIMUM LIMITATION. For purposes of determining whether the Plan would be Top-Heavy if "90%" were substituted for "60%" each place it appears in paragraphs (1) (A) or (2)(B) of Section 416(g) of the Code, as required by Section 416(h) of the Code, all of the preceding provisions of this Article should be applicable except that the phrase "90%" shall be substituted for the phrase "60%" where it appears in subsection 12.03(a). If, pursuant to the preceding sentence, it is determined that the Plan would be Top-Heavy if "90%" were substituted for "60%", then for purposes of applying Section 415(e) and 416(h) of the Code, and Section 4.14 of the Plan, to the benefit of any Participant, "1.0" shall be substituted for "1.25" in each applicable place in paragraphs (2)(B) and (3)(B) of Section 415(e) of the Code.

Subject to the exceptions provided below, if for any Plan Year the Plan is Top-Heavy, then the overall limitation imposed by Section 415(e) and (h) of the Code, and Section 4.14 of the Plan, in the case of a Key Employee who is a Participant in both the Plan and a Top-Heavy defined benefit plan maintained by any Employer or any Affiliated Company, shall be applied by substituting "1.0" for "1.25" in each applicable place in paragraphs (2)(B) and (3)(B) of Section 415(e) of the Code. The change in the Section 415(e) limitations specified in the preceding sentence shall not be applicable to a Participant for a Plan Year in which the Plan is Top-Heavy if (a) the sum of the present values of the accrued benefits and the account balances of all participants in all defined benefit plans and all defined contribution plans maintained by any Employer or any Affiliated Company who are Key Employees does not exceed 90% of the sum of the present values of the accrued benefits and the account balances of all participants in all defined benefit plans and all defined contribution plans maintained by any Employer or any Affiliated Company, and (b) the minimum benefit percentage under the Top-Heavy provisions of such defined benefit plans is increased to 3%.

ARTICLE XIII

Provisions Relating to Merger of Plans

13.01 DEFINITIONS. For purposes of this Article, the following words and phrases shall have the meanings set forth below:

(a) "BernzOmatic Salaried Plan" shall mean the BernzOmatic Corporation Employees' Pension Plan.

(b) "Foley Office Plan" shall mean the Foley Company Retirement Plan for Office and Administrative Employees.

(c) "Combined Benefit" shall mean the sum of a Participant's Accrued Benefit as defined in Article II of this Plan, and his accrued benefit earned under a Constituent Plan.

(d) "Constituent Plan" shall mean each of the Foley Office Plan or the BernzOmatic Salaried Plan, as in existence on the applicable Merger Date.

(e) "Constituent Plan Participant" shall mean any person who has earned an accrued benefit under a Constituent Plan, as of the Merger Date for such Plan (as set forth in subsection (f) below), if such benefit has not been fully distributed or an annuity has not been purchased for and distributed to the Constituent Plan Participant with respect to such benefit as of such Merger Date.

(f) "Merger Date" shall mean (i) in the case of the BernzOmatic Salaried Plan, September 14, 1985; and (ii) in the case of the Foley Office Plan, July 1, 1985.

13.02 GENERAL. (a) Effective July 1, 1985, the assets held in trust under the Foley Office Plan were merged with and into the assets held in trust under this Plan. Effective September 14, 1985, the assets held in trust under the BernzOmatic Salaried Plan were merged with and into the assets held in trust under this Plan. In connection with these mergers, this Plan assumed all liabilities of Constituent Plan Participants for accrued benefits under the Constituent Plans at their respective Merger Dates. This Article will set forth special rules applicable with respect to Constituent Plan Participants under this Plan and will supplement the other provisions of this Plan with respect to such Constituent Plan Participants in connection with the portion of their Combined Benefits attributable to the Constituent Plans. The provisions of this Article shall be applied to such portion of their Combined Benefits, notwithstanding any inconsistent provision contained elsewhere in this Plan.

(b) The merged assets of the Constituent Plans shall be used to provide benefits with respect to all Participants under this Plan, including Constituent Plan Participants.

(c) The Combined Benefit, on a termination basis (within the meaning of Treasury Regulation Section 1.414(1)), to which any Constituent Plan Participant is entitled under this Plan, shall immediately after the Merger Date of the applicable Constituent Plan be equal to or greater than the benefit to which such Constituent Plan Participant was entitled, on a termination basis, under the applicable Constituent Plan immediately prior to its Merger Date. This subsection (c) shall not be construed to increase or decrease the nonforfeitable benefit accrued for any Constituent Plan Participant under the applicable Constituent Plan, or under this Plan, as of the applicable Merger Date. This Article XIII shall be administered consistent with the requirements of Sections 411 and 414(1) of the Code, and Treasury Regulations promulgated thereunder.

(d) A Constituent Plan Participant who becomes a Participant under this Plan shall be deemed to have satisfied the requirements for a pension under Section 4.04 for purposes of eligibility for a Qualified Pre-retirement Survivor Annuity under Section 4.07(a) if he has a nonforfeitable interest in a Combined Benefit. The Qualified Pre-retirement Survivor Annuity payable under Section 4.07(a) with respect to a Constituent Plan Participant shall be based on his Combined Benefit, except to the extent that any portion of such Benefit is otherwise distributable pursuant to this Article, or otherwise, and shall be subject to offset as provided in Section 4.07(a).

(e) Notwithstanding any term to the contrary contained herein or in either of the Constituent Plans, the provisions of this Amendment and Restatement included to conform this Plan to the requirements of (i) the Code as amended by the Tax Equity and Fiscal Responsibility Act of 1982, the Tax Reform Act of 1984, and the Retirement Equity Act of 1984 ("REA"); (ii) ERISA as amended by REA; and (iii) governmental rulings and regulations applicable to this Plan as of January 1, 1984, shall apply to the Foley Office Plan, and to the BernzOmatic Salaried Plan, as of the effective date applicable with respect to each such Plan in the case of each such Act, ruling or regulation.

(f) All distribution elections made by a Merged Plan Participant, or his Surviving Spouse or Beneficiary, if applicable, shall be made by written instrument delivered by the Merged Plan Participant, Surviving Spouse or Beneficiary to the Pension Administrative Committee at least thirty days before such election is to take effect.

13.03 SPECIAL PROVISIONS RELATING TO BERNZOMATIC SALARIED PLAN. (a) Effective September 1, 1982, contributions to the BernzOmatic Salaried Plan were permanently discontinued and all benefits accrued thereunder as of September 1, 1982 became nonforfeitable. As of such date, participants under the BernzOmatic Salaried Plan, and other salaried and clerical employees of the BernzOmatic Division of the Company, became eligible to participate in

this Plan in accordance with the terms of this Plan. For purposes of determining the Accrued Benefit earned from and after September 1, 1982 of Participants who are thereafter employed by such Division, such Participants shall receive credit for periods of employment with all Employers from and after September 1, 1982 and not for periods of employment with any Employer prior to September 1, 1982. Except as provided in the next sentence, for purposes of determining such Participants' Vesting Service, nonforfeitable interest in their Accrued Benefits, and their eligibility to participate in this Plan, such Participants shall receive credit for periods of employment with the Company or an Affiliated Company from and after April 1, 1982 and not for periods of employment with the Company, an Affiliated Company or BernzOmatic Corporation prior to April 1, 1982. This sentence shall apply to (i) each individual who is an active employee of the BernzOmatic Division of the Company at any time on or after June 1, 1995, and (ii) each former employee of the BernzOmatic Division of the Company who is entitled to a benefit under Section 4.04, the payment of which had not commenced prior to June 1, 1995:

(A) For purposes of determining such Participants' Vesting Service, their nonforfeitable interest in their Accrued Benefits, and their eligibility to participate in this Plan, such Participants shall receive credit for periods of employment with the Company or an Affiliated Company from and after April 1, 1982 and not for periods of employment with the Company, an Affiliated Company or BernzOmatic Corporation prior to April 1, 1982; and

(B) solely for purposes of determining such Participants' Vesting Service for purposes of (1) the definition of Early Retirement Date in Article II, (2) the second sentence of Subsection 4.05(a) hereof, and (3) determining the commencement and amount of a Qualified Preretirement Survivior Annuity pursuant to Subsection 4.07(a) hereof, such Participants shall receive credit for periods of employment with the Company or an Affiliated Company prior to and from and after April 1, 1982, and for periods of employment with BernzOmatic Corporation prior to April 1, 1982.

(b) The portion of the Combined Benefit of a Constituent Plan Participant earned under the BernzOmatic Salaried Plan through its Merger Date shall be payable to such Participant (in addition to his pension benefit set forth under Article IV of this Plan) at the times and in the manner set forth in Articles IV and V of this Plan. Notwithstanding the preceding sentence, if at any time the Constituent Plan Participant has satisfied all eligibility requirements contained in the BernzOmatic Salaried Plan necessary to entitle him to receive payment of the portion of his Combined Benefit earned under the BernzOmatic Salaried Plan at its Merger Date commencing at a date earlier than the date applicable under the terms of this Plan, such

Participant shall be entitled, subject to the terms and conditions applicable under the BernzOmatic Salaried Plan, to have payment of such portion of his Combined Benefit commence as follows:

(i) If a Constituent Plan Participant's employment with BernzOmatic Corporation and all Employers terminates: (A) before or after the Merger Date, (B) before he attains age 65, and (C) after he both attains age 55 and completes at least the aggregate of five (A) years of Credited Service (as defined in the BernzOmatic Salaried Plan) on or after May 15, 1967 and prior to the Merger Date, and (B) years of Vesting Service (as defined in Article II of this Plan) after the Merger Date, such Constituent Plan Participant shall be entitled to commence receipt (in accordance with the terms of this Plan) of the portion of his Combined Benefit earned under the BernzOmatic Salaried Plan at its Merger Date on the first day of any calendar month selected by the Participant on or after the later to occur of its Merger Date and the date of his termination of employment with BernzOmatic Corporation and all Employers, but not later than his Normal Retirement Date. The amount of such portion of his Combined Benefit earned under the BernzOmatic Salaried Plan shall be reduced by one-half of one percent for each full month that the date as of which payment of such Benefit portion commences precedes the Constituent Plan Participant's Normal Retirement Date.

(ii) If a Constituent Plan Participant's employment with BernzOmatic Corporation and all Employers terminates: (A) before or after the Merger Date, and (B) before he both attains age 55 and completes at least the aggregate of five (A) years of Credited Service (as defined in the BernzOmatic Salaried Plan) on or after May 15, 1967 and prior to the Merger Date, and (B) years of Vesting Service (as defined in Article II of this Plan) after the Merger Date, he shall immediately receive a lump sum distribution of the present value of his Participant Contribution Accrued Benefit under the BernzOmatic Salaried Plan. Notwithstanding any provision of this clause (ii) to the contrary, if the Actuarial Equivalent of the Combined Benefit of such Constituent Plan Participant exceeds $3,500, and such Participant received credit for at least one (1) Hour of Service on or after August 23, 1984, then (A) no distribution shall be made to him before his Normal Retirement Date without his written consent, and (B) if the Participant has an Eligible Spouse, distribution must be made in accordance with Sections 4.06 and 5.01 of this Plan unless such Eligible Spouse consents, in the manner set forth in Section 5.01(e) above, to a distribution of the Constituent Plan Participant's Participant Contribution Accrued Benefit in a lump sum.

13.04 SPECIAL PROVISIONS RELATING TO FOLEY OFFICE PLAN.

(a) All participants in the Foley Office Plan on June 30, 1985 shall become eligible to participate under this Plan as of its Merger Date and shall remain eligible to participate and receive benefits hereunder in accordance with the terms of this Plan.

(b) Subject to subsections (c) and (d) below, the portion of the Combined Benefit of a Constituent Plan Participant earned under the Foley Office Plan through its Merger Date shall be payable to such Participant (in addition to his pension benefit set forth under Article IV of this Plan) at the times and in the manner set forth in Articles IV and V of this Plan. Notwithstanding the preceding sentence, if at any time the Constituent Plan Participant has satisfied all eligibility requirements contained in the Foley Office Plan necessary to entitle him to receive payment of the portion of his Combined Benefit earned under the Foley Office Plan at its Merger Date commencing at a date earlier than the date applicable under the terms of this Plan, such Participant shall be entitled, subject to the terms and conditions applicable under the Foley Office Plan, to have payment of such portion of his Combined benefit commence as follows:

(i) If a Constituent Plan Participant's employment with Foley-ASC, Inc. and all Employers terminates: (A) before or after the Merger Date, (B) before he attains age 65, and (c) after he both attains age 55 and completes at least the aggregate of 10 (A) years of Vesting Service as defined in the Foley Office Plan prior to the Merger Date, and (B) years of Vesting Service (as defined in Article II of this Plan on and after the Merger Date, such Participant shall be entitled to commence receipt (in accordance with the terms of this Plan) of the portion of his Combined Benefit earned under the Foley Office Plan at the Merger Date on the first day of any calendar month selected by the Participant on or after the later to occur of the Merger Date and the date of his termination of employment with Foley-ASC, Inc. and all Employers, but not later than his Normal Retirement Date. The amount of such portion of his Combined Benefit earned under the Foley Office Plan shall be reduced by one-half of one percent for each full month that the date as of which payment of such Benefit portion commences precedes the first day of the month following the month in which the Constituent Plan Participant attains age 65. Any selection of a distribution date pursuant to this paragraph shall be made by written instrument delivered by the Constituent Plan Participant to the Pension Administrative Committee at least thirty (30) days before the selected date.

(ii) If a Constituent Plan Participant's employment with Foley-ASC, Inc. and all Employers terminates: (A) before or after the Merger Date, (B) before he attains age

55, and (C) after he completes at least the aggregate of 10 (A) years of Vesting Service as defined in the Foley Office Plan prior to the Merger Date, and (B) years of Vesting Service (as defined in Article II of this Plan) after the Merger Date, such Participant shall be entitled to commence receipt (in accordance with the terms of this Plan) of the portion of his Combined Benefit earned under the Foley Office Plan at the Merger Date on the first day of any calendar month selected by the Participant on or after the date he attains age 55, but not later than his Normal Retirement Date. The amount of such portion of his Combined Benefit under the Foley Office Plan shall be reduced by one-half of one percent for each full month that the date as of which payment of such Benefit portion commences precedes the first day of the month following the month in which the Constituent Plan Participant attains age 65.

(c) For purposes of determining the nonforfeitable interest in the portion of the Combined Benefit earned under the Foley Office Plan as of its Merger Date by any Constituent Plan Participant (under the vesting provisions of the Foley Office Plan), and for purposes of determining his nonforfeitable interest in his Accrued Benefit earned under this Plan from and after its Merger Date (under the vesting provisions of this Plan):

(i) such Constituent Plan Participant shall receive credit for periods of employment with Foley-ASC, Inc., calculated in accordance with the terms of the Foley Office Plan and this Plan, respectively, from and after his date of hire by Foley-ASC, Inc., or its corporate predecessors, and up to and including September 24, 1984; and

(ii) such Constituent Plan Participant shall receive credit for periods of employment with the Company, calculated in accordance with the terms of the Foley Office Plan and this Plan, respectively, from and after September 24, 1984.

(d) For purposes of determining the portion of a Combined Benefit earned under the Foley Office Plan as of its Merger Date by any Constituent Plan Participant:

(i) such Participant shall receive credit for periods of employment with Foley-ASC, Inc., calculated in accordance with the terms of the Foley Office Plan, from and after the date such Participant became a participant in the Foley Office Plan and up to and including September 24, 1984; and

(ii) such Participant shall receive credit for periods of employment with the Company, calculated in accordance with the terms of the Foley Office Plan, from and after September 24, 1984 and up to and including June 30, 1985.

(e) For purposes of determining the Accrued Benefit earned under this Plan by a Constituent Plan Participant from and after its Merger Date, such Participant shall receive credit only for periods of employment with the Company, calculated in accordance with the terms of this Plan, from and after its Merger Date.

ARTICLE XIV

Provisions Relating to Additional Merger of Plans

14.01 DEFINITIONS. For purposes of this Article, the following words and phrases shall have the meanings set forth below:

(a) "Actuarial Equivalent" or "Actuarial Equivalence" shall mean with respect to each Merged Plan the equality in value of aggregate amounts expected to be received under different forms of payment, or to be received at different dates, determined on the basis of the assumptions and methods set forth in the attached schedule applicable to each Merged Plan as of the applicable Plan Merger Date, or, if applicable, Article XVII.

(b) "Anchor Hocking Salaried Plan" shall mean the Anchor Hocking Retirement Plan for Salaried Employees.

(c) "Anchor Hocking Salaried Plan - Hourly Part" shall mean the Anchor Hocking Retirement Plan for Salaried Employees (Hourly Part).

(d) "Benefit Accrual Date" shall mean January 1, 1989 with respect to each of the Anchor Hocking Salaried Plan and the Anchor Hocking Plan - Hourly Part and January 1, 1993 with respect to the Sanford Salaried Plan.

(e) "Merged Plan" shall mean each of the Anchor Hocking Salaried Plan, the Moldcraft Plan, the Anchor Hocking Salaried Plan - Hourly Part, and the Sanford Salaried Plan as in existence on the applicable Plan Merger Date.

(f) "Merged Plan Benefit" shall mean the portion of the Total Benefit earned by a Merged Plan Participant under a Merged Plan as of the applicable Plan Merger Date that has not been fully distributed to, or used to purchase an annuity distributed to, the Merged Plan Participant.

(g) "Merged Plan Participant" shall mean any person who has earned an accrued benefit under a Merged Plan, as of the applicable Plan Merger Date, if such benefit has not been fully distributed to, or an annuity has not been purchased for and distributed to, the Merged Plan Participant with respect to such accrued benefit as of the applicable Plan Merger Date.

(h) "Moldcraft Plan" shall mean the Contributory Pension Plan for the Hourly-Paid Employees of the Moldcraft Division of Anchor Hocking Plastic Packaging, Inc.

(i) "Plan Merger Date" shall mean September 1, 1991 with respect to each of the Anchor Hocking Salaried Plan, the Moldcraft Plan and the Anchor Hocking Salaried Plan - Hourly Parts and December 1, 1992 with respect to the Sanford Salaried Plan.

(j) "Sanford Salaried Plan" shall mean the Sanford Corporation Retirement Plan for Salaried Employees.

(k) "Total Benefit" shall mean the sum of a Participant's Accrued Benefit as defined in Article II of this Plan earned from and after the applicable Benefit Accrual Date, if any, and his Merged Plan Benefit.

14.02 GENERAL (a) Effective as of the applicable Plan Merger Date, the assets held in trust under each of the Merged Plans were merged with and into the assets held in trust under this Plan. In connection with these mergers, this Plan assumed all liabilities to Merged Plan Participants for Merged Plan Benefits. This Article sets forth special rules applicable to Merged Plan Participants under this Plan and will supplement the other provisions of this Plan with respect to such Merged Plan Participants in connection with their Merged Plan Benefits. The provisions of this Article shall be applied to their Merged Plan Benefits notwithstanding, and in lieu of, any other provision contained elsewhere in this Plan.

(b) The merged assets of the Merged Plans shall be used to provide benefits with respect to all Participants under this Plan, including Merged Plan Participants.

(c) The Total Benefit, on a termination basis (within the meaning of Treasury Regulation Section 1.414(l)), to which any Merged Plan Participant is entitled under this Plan shall, immediately after the applicable Plan Merger Date, be equal to or greater than the benefit to which such Merged Plan Participant was entitled, on a termination basis, under the applicable Merged Plan immediately prior to the applicable Plan Merger Date. This subsection (c) shall not be construed to increase or decrease the nonforfeitable benefit accrued for any Merged Plan Participant under the applicable Merged Plan, or under this Plan, as of the applicable Plan Merger Date. This Article XIV shall be administered consistent with the requirements of Sections 411 and 414(l) of the Code, and the Treasury Regulations promulgated thereunder.

(d) A Merged Plan Participant who becomes a Participant under this Plan shall be deemed to have satisfied the requirements for a pension under Section 4.04 hereof for purposes of eligibility for a Qualified Pre-retirement Survivor Annuity under Section 4.07(a) hereof if he has a nonforfeitable interest in a Total Benefit. The Qualified

Pre-retirement Survivor Annuity payable under Section 4.07(a) with respect to a Merged Plan Participant shall be based on his Total Benefit, except to the extent that any portion of such Benefit is otherwise distributable pursuant to this Article, or otherwise, and shall be subject to offset as provided in Section 4.07(a).

(e) Notwithstanding any provision to the contrary contained herein or in any of the Merged Plans, the provisions of this Amendment and Restatement of this Plan intended to conform this Plan to the requirements of (i) the Code as amended by the Tax Reform Act of 1986, the Revenue Act of 1987, the Technical and Miscellaneous Revenue Act of 1988, the Omnibus Budget Reconciliation Act of 1989, the Revenue Reconciliation Act of 1990 and the Revenue Reconciliation Act of 1993; (ii) ERISA as amended by the Retirement Equity Act of 1984; and (iii) all other statutes and all governmental rulings and regulations applicable to this Plan as of January 1, 1994, shall apply to each of the Merged Plans, as of the effective date applicable with respect to each such Merged Plan in the case of each such Act, statute, ruling or regulation.

(f) All distribution elections made by a Merged Plan Participant, or his Surviving Spouse or Beneficiary, if applicable, shall be made by written instrument delivered by the Merged Plan Participant, Surviving Spouse or Beneficiary to the Pension Administrative Committee at least thirty days before such election is to take effect.

(g) For purposes of the cash out provisions of Section 4.15 of the Plan, the Actuarial Equivalent of a Merged Plan Benefit will be based upon Section 14.01(a).

14.03 SPECIAL PROVISIONS RELATING TO ANCHOR HOCKING SALARIED PLAN. The following shall apply with respect to Merged Plan Participants who participated in the Anchor Hocking Salaried Plan on or before the Plan Merger Date:

(a) Benefit Accruals under the Anchor Hocking Salaried Plan were permanently discontinued, and all benefits accrued thereunder by Merged Plan Participants became nonforfeitable, effective as of the Benefit Accrual Date. As of the Benefit Accrual Date, Covered Class Employees (as defined in the Anchor Hocking Salaried Plan for purposes of this Section 14.03) became eligible to participate in this Plan in accordance with the terms of this Plan. For purposes of determining the Accrued Benefit earned from and after the Benefit Accrual Date, of Merged Plan Participants who were Covered Class Employees under the Anchor Hocking Salaried Plan on the Benefit Accrual Date, and who thereafter are employed by an Employer, such Merged Plan Participants shall receive credit for periods of employment with all Employers from and after the Benefit Accrual Date and not for periods of employment with any Employer or any other entity, prior to the Benefit Accrual Date. For purposes of determining such Merged Plan Participants' Vesting Service, nonforfeitable interest in their Accrued Benefits,

and their eligibility to participate in this Plan, such Merged Plan Participants shall receive credit (1) for periods of employment with an Affiliated Company (as defined in Article II of this Plan) from and after the Benefit Accrual Date and (2) for periods of employment only with Anchor Hocking Corporation and its affiliates, and not with any other entity that was not an Affiliated Company, prior to the Benefit Accrual Date.

(b) A Merged Plan Benefit shall be payable to a Merged Plan Participant (in addition to his benefit set forth under Article IV of this Plan) at the times set forth in Article IV of this Plan. Notwithstanding the preceding sentence, if the Merged Plan Participant has satisfied all eligibility requirements contained in the Anchor Hocking Salaried Plan necessary to entitle him to receive payment of his Merged Plan Benefit commencing at a date earlier than the date applicable under the terms of this Plan, such Participant shall be entitled, subject to the terms and conditions applicable under the Anchor Hocking Salaried Plan, to have payment of his Merged Plan Benefit commence as follows:

(i) If a Merged Plan Participant's employment with all Employers terminates before he attains age 65, and if (A) at the time of such termination (1) he has both attained age 55 and completed at least the aggregate of 10 (I) years of Vesting Service as defined in the Anchor Hocking Salaried Plan prior to the Plan Merger Date, and (II) years of Vesting Service (as defined in Article II of this Plan) after the Plan Merger Date, or (2) he has attained age 60, or (B) he was, as of January 1, 1981, an employee of Moldcraft (as defined in the Anchor Hocking Salaried Plan for purposes of this Section 14.03) and as of that date had at least one year of Vesting Service (as defined in the Anchor Hocking Salaried Plan) and had attained age 55 but not age 60, such Merged Plan Participant shall be entitled to commence receipt (in accordance with the terms of this Plan) of his Merged Plan Benefit on the first day of any calendar month selected by the Merged Plan Participant on or after the later to occur of the Plan Merger Date and the date of his termination of employment with all Employers, but not later than his Normal Retirement Date (as defined in the Anchor Hocking Salaried Plan for purposes of this Section 14.03). If the Merged Plan Participant (1) attained age 60, or (2) both attained age 55 and completed at least the aggregate of 30 (A) years of Vesting Service as defined in the Anchor Hocking Salaried Plan prior to the Plan Merger Date, and (B) years of Vesting Service (as defined in Article II of this Plan) after the Plan Merger Date, at the time of his termination of employment with all Employers, the amount of his Merged Plan Benefit shall be paid unreduced. If the Merged Plan Participant had neither attained age 60, nor both attained age 55 and completed at least the aggregate of 30 (A) years of Vesting Service (as

defined in the Anchor Hocking Salaried Plan prior to the Plan Merger Date, and (B) years of Vesting Service (as defined in Article II of this Plan) after the Plan Merger Date, at the time of his termination, the Merged Plan Benefit shall be reduced by one-twelfth of 5% for each month it is paid prior to his 60th birthday.

(ii) If a Merged Plan Participant's employment with all Employers terminates, and he is not eligible under subparagraph (i) next above, he shall be entitled to commence receipt (in accordance with the terms of this Plan) of his Merged Plan Benefit on the first day of the month following the Merged Plan Participant's Normal Retirement Date, unless he elects to have it begin within the ten year period prior to his Normal Retirement Date. If the Merged Plan Participant elects to have such Merged Plan Benefit begin earlier than his Normal Retirement Date, his Merged Plan Benefit shall be a reduced pension (in a level amount) equal to the Actuarial Equivalent of the Merged Plan Benefit that would have been payable on the Merged Plan Participant's Normal Retirement Date.

(c) If a Merged Plan Participant's employment with all Employers terminates prior to the Benefit Accrual Date (A) due to a Merged Plan Participant becoming Totally Disabled under the terms and conditions of, and as defined under, the Anchor Hocking Salaried Plan, (B) before he attains age 65, (C) while regularly employed to work for an Employer at least 30 hours per week, and (D) after completing at least one full year of Anchor Service (as defined under the Anchor Hocking Salaried Plan for purposes of this Section 14.03), such Merged Plan Participant shall be entitled to commence receipt (in accordance with the terms of this Plan) of his Merged Plan Benefit as follows:

(i) If a Merged Plan Participant satisfies all the conditions necessary for a disability benefit under the Anchor Hocking Salaried Plan and he continues to be Totally Disabled (as defined in the Anchor Hocking Salaried Plan for purposes of this Section 14.03) until (A) he has both attained age 55, and completed at least the aggregate of 10 (I) years of Vesting Service (as defined in the Anchor Hocking Salaried Plan) prior to the Plan Merger Date, and (II) years of Vesting Service (as defined in Article II of this Plan) after the Plan Merger Date, or (B) he has attained age 60, such Merged Plan Participant shall be entitled to commence receipt (in accordance with the terms of this Plan) of his Merged Plan Benefit on the first day of any calendar month selected by the Merged Plan Participant on or after the last to occur of (1) the Benefit Accrual Date, (2) the date he meets the criteria in clause (A) or (B) above of this paragraph, and (3) the date of his termination of employment with all Employers due to his disability, but not later than his Normal Retirement Date.

If the Merged Plan Participant attained age 60, or both attained age 55 and completed at least the aggregate of 30 (A) years of Vesting Service (as defined in the Anchor Hocking Salaried Plan) prior to the Plan Merger Date, and (B) years of Vesting Service (as defined in Article II of this Plan) after the Plan Merger Date, at the time of his termination, the amount of his Merged Plan Benefit shall be paid unreduced. If the Merged Plan Participant had neither attained age 60, nor both attained age 55 and completed at least the aggregate of 30 (A) years of Vesting Service (as defined in the Anchor Hocking Salaried Plan) prior to the Plan Merger Date, and (B) years of Vesting Service (as defined in Article II of this Plan) after the Plan Merger Date, at the time of his termination, his Merged Plan Benefit shall be reduced by one-twelfth of 5% for each month it is paid prior to his 60th birthday.

(ii) Solely for purposes of this paragraph (c), the Merged Plan Benefit of a Merged Plan Participant who is Totally Disabled (as defined in the Anchor Hocking Salaried Plan) shall equal the sum of (1) the portion of his Total Benefit earned under the Anchor Salaried Plan as of the Benefit Accrual Date, plus (2) the Accrued Benefit earned under this Plan from and after the Benefit Accrual Date based upon the benefit formula in this Plan on the Benefit Accrual Date, the Merged Plan Participant's monthly rate of base pay for the month preceding the date he became Totally Disabled and the consideration of the period of time during which he continues to be Totally Disabled from and after the Benefit Accrual Date as Benefit Service under this Plan.

(iii) If a Merged Plan Participant satisfies all the conditions necessary for a disability benefit under the Anchor Hocking Salaried Plan and continues to be Totally Disabled until he reaches his Normal Retirement Date, and he is not entitled to a benefit pursuant to clause (i) above, such Merged Plan Participant shall be entitled to commence receipt (in accordance with the terms of this Plan) of his Merged Plan Benefit on the first day of the calendar month after the month in which he attains his Normal Retirement Date.

(iv) If a Merged Plan Participant satisfies all the conditions necessary for a disability benefit under the Anchor Hocking Salaried Plan and ceases to be Totally Disabled before reaching age 60, and before he has attained age 55 and completed at least 10 years of Vesting Service (as defined in the Anchor-Hocking Salaried Plan) prior to the Plan Merger Date, such Merged Plan Participant shall be eligible to have his Merged Plan Benefit paid as a Deferred Vested Pension (as defined under the Anchor Hocking Salaried Plan for purposes of this Section 14.03) provided he became

Totally Disabled on or before August 14, 1978, and his employment with the Controlled Group (as defined in the Anchor Hocking Salaried Plan for purposes of this Section 14.03) terminated on account of such Total Disability.

(d) If a Merged Plan Participant dies before payment of his Merged Plan Benefit commences, his Surviving Spouse shall be entitled to commence receipt (in accordance with the terms of this Plan) of his Merged Plan Benefit as follows:

(i) In the case of a Surviving Spouse of a Merged Plan Participant who died while an active employee and (A) who had attained age 50, but not age 65, and had completed at least the aggregate of 10 (I) years of Vesting Service (as defined in the Anchor Hocking Salaried Plan) prior to the Plan Merger Date, and (II) years of Vesting Service (as defined in Article II of this Plan) after the Plan Merger Date, or (B) who was employed by Moldcraft and who, as of January 1, 1981, (1) had one year of Vesting Service (as defined in the Anchor Hocking Salaried Plan), and (2) had attained age 55 but not age 60, the Merged Plan Benefit to which she is entitled (a) shall be a monthly pension payable for her remaining lifetime in the amount specified in subsequent sentences of this paragraph, (b) shall begin on the first day of the month after such Merged Plan Participant would have attained age 65 had he not died or, if the Surviving Spouse requests earlier commencement thereof, on the first day of any month following the Merged Plan Participant's death, but in any case only if the Surviving Spouse is living on such date and otherwise eligible to receive such Merged Plan Benefit and (c) shall cease with the payment for the month in which she dies. If such Merged Plan Participant died after age 55 (and before age 65), the monthly amount of such Merged Plan Benefit payable to his Surviving Spouse shall be equal to 50% of what would have been the monthly amount of such Merged Plan Participant's Merged Plan Benefit payable as an Early Retirement Pension (as defined in the Anchor Hocking Salaried Plan for purposes of this Section 14.03) if (A) he had retired at the end of the month in which he died and he had continued to live, (B) his Early Retirement Pension had begun in the first month after the later of the month in which he in fact died or the month in which he would have reached age 60 if he had continued to live and (C) his Early Retirement Pension was paid as an annuity for his lifetime only. If such Merged Plan Participant died on or after age 50 and before age 55, the monthly amount of such Merged Plan Benefit payable to his Surviving Spouse shall be equal to 50% of the monthly amount of the Merged Plan Benefit payable as a Deferred Vested Pension (as defined in the Anchor Hocking Salaried Plan for purposes of this Section 14.03) beginning on the Merged Plan Participant's Normal Retirement

Date, to which he would have been entitled if (A) he had resigned from employment with all Controlled Group Members (as defined in the Anchor Hocking Salaried Plan for purposes of this Section 14.03) at the end of the month in which he in fact died, (B) he had continued to live until after his Normal Retirement Date and (C) his Deferred Vested Pension was paid as an annuity for his lifetime only. In computing the amount of the Merged Plan Benefit payable to a Surviving Spouse pursuant to this subparagraph (i), any early retirement reductions and the Cap (as defined in the Anchor Hocking Salaried Plan for purposes of this Section 14.03) shall be ignored.

(ii) In the case of a Surviving Spouse of a Merged Plan Participant who died while an active employee and (A) had attained age 60, but not age 65, and had not completed at least the aggregate of 10 (I) years of Vesting Service (as defined in the Anchor Hocking Salaried Plan) prior to the Plan Merger Date, and (II) years of Vesting Service (as defined in Article II of this Plan) after the Plan Merger Date, or (B) had attained age 65 (regardless of his aggregate years of Vesting Service), the Merged Plan Benefit to which she is entitled shall be such Merged Plan Benefit as she would have been entitled to receive if (A) such Merged Plan Participant had retired in the month preceding his death and under circumstances which would have allowed the Merged Plan Participant to receive his Merged Plan Benefit payable as an Early Retirement Pension under the Anchor Hocking Salaried Plan, (B) his Early Retirement Pension had begun in the month in which he in fact died and (C) his Early Retirement Pension was payable under the Semi-Automatic 50% J & S Option (as defined in the Anchor Hocking Salaried Plan). In computing the amount of such Merged Plan Benefit payable to a Surviving Spouse pursuant to this subparagraph (ii), any early retirement reductions and the Cap shall be ignored. Such Merged Plan Benefit (1) shall begin as provided in clause (b) of subparagraph (i) of this paragraph, (2) shall, except as otherwise provided herein, be payable monthly thereafter (on the first of each month) during her remaining lifetime and (3) shall cease with the payment for the month in which she dies.

(iii) (A) In the case of a Surviving Spouse of a deceased Merged Plan Participant, not described in subparagraphs (i) or (ii) above, the Merged Plan Benefit to which she is entitled shall be a monthly benefit for the life of the Surviving Spouse with payments equal to the payments that would have been payable to such Surviving Spouse under the Semi-Automatic 50% J & S Option (based on the Merged Plan Participant's actual Benefit

Service as defined in the Anchor Hocking Salaried Plan for purposes of this Section 14.03) if --

(1) in the case of a Merged Plan Participant who dies after his attainment of the age and Vesting Service requirements of Section 14.03(b)(i) (the "Qualified Earliest Retirement Age"), such Merged Plan Participant had retired on the day before his death with an immediate Semi-Automatic 50% J & S Option in effect, or

(2) in the case of a Merged Plan Participant who dies on or before the date on which he would have attained his Qualified Earliest Retirement Age, such Merged Plan Participant had:

(a) terminated his employment with the Controlled Group on the date of his death;

(b) survived to his Qualified Earliest Retirement Age;

(c) retired at his Qualified Earliest Retirement Age with an immediate Semi-Automatic 50% J & S Option in effect, and

(d) died on the day after the day on which he would have attained his Qualified Earliest Retirement Age.

(B) The Merged Plan Benefit provided for in subparagraph (A) of this subparagraph (iii) shall commence to be paid to the Surviving Spouse on the first day of the month after the Merged Plan Participant would have attained age 65 had he not died or, if the Surviving Spouse requests earlier commencement thereof, on the first day of any earlier month after the later of (1) the first day of the month after the Merged Plan Participant's death or (2) the first day of the month in which the Merged Plan Participant would have attained his Qualified Earliest Retirement Age, but in any case only if the Surviving Spouse is living on such date and is otherwise eligible to receive such Merged Plan Benefit. Payments shall continue during the Surviving Spouse's remaining lifetime,

and shall cease with the payment for the month in which such Surviving Spouse dies.

(C) In computing the amount of the Merged Plan Benefit provided for in subparagraph (A) of this subparagraph (iii), any early retirement reductions shall be taken into account, and the Cap shall be ignored.

(iv) For purposes of subparagraph (i) of this paragraph (d), Surviving Spouse means a person to whom a Merged Plan Participant is legally married on the Merged Plan Participant's date of death. For purposes of subparagraphs (ii) and (iii) of this paragraph (d), Surviving Spouse means a person to whom a Merged Plan Participant is legally married for at least the one (1) year period ending on the Merged Plan Participant's date of death.

(e) A Merged Plan Participant may elect, pursuant to the spousal consent provisions of Section 5.01 of this Plan, any one of the optional forms of benefits specified in this paragraph with respect to his Merged Plan Benefit. Any optional form of benefit set forth in Article V of this Plan shall apply only to the Accrued Benefit earned by the Merged Plan Participant from and after the Benefit Accrual Date. Any optional form of benefit or combination of optional forms of benefits set forth in this paragraph shall be the Actuarial Equivalent of the Merged Plan Benefit otherwise payable with respect to the Merged Plan Participant.

(i) REGULAR J & S OPTIONS: A Merged Plan Participant may elect to receive his Merged Plan Benefit as a reduced pension payable to him during his lifetime on and after the date on which his Merged Plan Benefit is to commence, and after his death to have a pension payable during the surviving lifetime of and for a natural person (herein called "Joint Pensioner") designated by the Merged Plan Participant for such purpose at the same reduced rate payable to the Merged Plan Participant or (if elected by the Merged Plan Participant) at the rate of 50% of the reduced pension payable to the Merged Plan Participant. Evidence satisfactory to the Pension Administrative Committee of the date of birth of the Merged Plan Participant and of his Joint Pensioner must be furnished within 90 days of the filing of such election with the Pension Administrative Committee. The amount of the reduced pension payable under such an option depends in part on (A) the age of the Merged Plan Participant and his Joint Pensioner and (B) the Merged Plan Participant's choice of the percentage of his reduced pension to be paid after his death to his Joint Pensioner. Pension payments for the Joint Pensioner shall begin with the first day of the month after the month in which the Merged Plan Participant dies, provided his death does not

void the election of this option, and provided his Joint Pensioner is living on such day, and the last monthly payment for the Joint Pensioner shall be payable on the first day of the last month in which he or she is living. If the Joint Pensioner dies before the Merged Plan Participant's pension commences, the election shall be of no effect and the Merged Plan Participant shall be treated the same as though he had not elected an option pursuant to this subparagraph. If the Joint Pensioner dies on or after his Merged Plan Participant's pension commences and while the Merged Plan Participant is living, the option elected shall continue in force and the Merged Plan Participant's reduced pension shall not be increased thereby.

(ii) LEVEL INCOME OPTION: A Merged Plan Participant who retires before reaching the earliest age at which a retired worker may elect to have his old age benefits under the U.S. Social Security Act begin, and who is not eligible for a Social Security Disability Benefit (as defined in the Anchor Hocking Salaried Plan for purposes of this Section 14.03), may elect (in accordance with procedures established by the Pension Administrative Committee) to have the amount of the Merged Plan Benefit otherwise payable to him increased before such earliest age and decreased thereafter, to the end that such portion of his Merged Plan Benefit, when combined with his old age benefits under the U.S. Social Security Act (as in effect at his retirement) in the amount estimated to be payable beginning at such earliest age, will provide a level amount of retirement income insofar as practicable. A Merged Plan Participant's election of the Level Income Option shall become void if (A) he does not become entitled to a pension under paragraph (b) of this Section or (B) his Merged Plan Benefit is payable under a J & S Option pursuant to paragraph (e)(i) of this Section.

(iii) OTHER OPTIONS: A Merged Plan Participant whose employment with the Company and all Affiliated Companies terminated prior to the Plan Merger Date is entitled to receive his Merged Plan Benefit pursuant to an optional form of benefit that was available under the Anchor Hocking Salaried Plan at the date of his termination of employment, and that was elected by the Merged Plan Participant prior to the date of his termination of employment pursuant to the terms of the Anchor Hocking Salaried Plan.

(f) Notwithstanding the foregoing,

(i) In the case of a Merged Plan Participant who dies on or after payment of the Merged Plan Benefit is to commence, and whose Merged Plan Benefit has not been

discharged by a lump sum payment, if such death occurs before he has become entitled to receive 72 monthly payments of his Merged Plan Benefit and if a J & S Option under subparagraph (e)(i) of this Section is not applicable to him, his Beneficiary shall be paid the same Merged Plan Benefit as would have been payable to such Merged Plan Participant if he had continued to live until the equivalent of 72 monthly payments have been made to him and/or his Beneficiary.

(ii) In the case of a Merged Plan Participant described in clause (i) above for whom a J & S Option under subparagraph (e)(i) of this Section is applicable, if he and his Joint Pensioner die before one or both of them have become entitled to receive 72 monthly payments with respect to his Merged Plan Benefit, such Merged Plan Participant's Beneficiary shall be paid the same monthly benefit as would have been payable to the survivor of such Merged Plan Participant and his Joint Pensioner if such survivor had continued to live until the equivalent of 72 monthly payments have been made to such Merged Plan Participant, his Joint Pensioner and/or his Beneficiary, except that, for this purpose, a Merged Plan Participant's Joint Pensioner shall not be considered to survive such Merged Plan Participant if he or she dies before a payment becomes payable to him or her under such Merged Plan Participant's J & S Option.

(iii) In the case of a Merged Plan Participant whose Merged Plan Benefit is payable under the Level Income Option specified in subparagraph (e)(ii) above, and who dies during the 72 month period certain specified herein, the same monthly payments shall be made to his Beneficiary for the balance of such 72 month period certain as would have been payable to the Merged Plan Participant if he had continued to live.

(iv) In the case of a Merged Plan Participant who was a Member (as defined in the Anchor Hocking Salaried Plan for purposes of this Section 14.03), who continues in the employ of a Controlled Group Member after his Normal Retirement Date, who dies while a Member, and for whom the J & S Option is applicable, or who has a Surviving Spouse eligible for a Merged Plan Benefit under paragraph (d) of this Section, if the Merged Plan Participant's Joint Pensioner or Surviving Spouse, as the case may be, dies before becoming entitled to receive 72 monthly payments with respect to his Merged Plan Benefit, such Merged Plan Participant's Beneficiary shall be paid the same Merged Plan Benefit as would have been payable to his Joint Pensioner or Surviving Spouse if such Joint Pensioner or Surviving Spouse had continued to live until the equivalent of 72 monthly Merged Plan Benefit payments

have been made to such Joint Pensioner or Surviving Spouse and/or his Beneficiary, except that, for this purpose, a Merged Plan Participant's Joint Pensioner or Surviving Spouse shall not be considered to survive such Merged Plan Participant if he or she dies before a Merged Plan Benefit payment becomes payable to him or her under such J & S Option or under paragraph (d) of this Section.

(v) If a Merged Plan Participant who retires before his Normal Retirement Date dies after the month in which his retirement occurs, if paragraph (b) of this Section is not applicable to him, if no Merged Plan Benefit is payable to his Beneficiary under subparagraphs (f)(i), (ii) or (iii), solely because the Merged Plan Participant's death occurred before his Merged Plan Benefit commenced, and if he does not have a Surviving Spouse who is eligible for a Merged Plan Benefit under paragraph (d) of this Section, his Beneficiary shall be paid for 72 months (beginning with the month after the death of such Merged Plan Participant) the amount of the Merged Plan Benefit that would have been payable to such Merged Plan Participant, if he had not died and had duly elected to have his Merged Plan Benefit payable pursuant to paragraph (b)(i) of this Section beginning on the first day of the month after the month in which he in fact did die.

14.04 SPECIAL PROVISIONS RELATING TO MOLDCRAFT PLAN

The following shall apply with respect to Merged Plan Participants who participated in the Moldcraft Plan on or before the Plan Merger Date:

(a) Effective November 30, 1990, benefit accruals under the Moldcraft Plan were permanently discontinued and all benefits accrued thereunder by Merged Plan Participants as of that date became nonforfeitable. Merged Plan Participants who participated in the Moldcraft Plan on or before the Plan Merger Date did not become participants in this Plan and did not earn an Accrued Benefit under this Plan.

(b) A Merged Plan Benefit shall be payable to such Merged Plan Participant at the times set forth in Article IV of this Plan. Notwithstanding the preceding sentence, if the Merged Plan Participant satisfied all eligibility requirements contained in the Moldcraft Plan necessary to entitle him to receive payment of his Merged Plan Benefit commencing at a date earlier than the date applicable under the terms of this Plan, such Participant shall be entitled, subject to the terms and conditions applicable under the Moldcraft Plan, to have payment of such Merged Plan Benefit commence as follows:

(i) If a Merged Plan Participant's employment with all Employers terminated before his Normal Retirement Date (as defined in the Moldcraft Plan for purposes of this Section

14.04), and if at the time of such termination he both (A) attained age 62 and (B) completed at least the aggregate of 10 (I) years of Vesting Service as defined in the Moldcraft Plan) prior to the Plan Merger Date, and (II) years of Vesting Service (as defined in Article II of this Plan) after the Plan Merger Date, and if the greater of his Refunded Amount (defined below) and the Actuarial Equivalent of his Merged Plan Benefit is in excess of $3,500, such Merged Plan Participant shall be entitled to elect to receive one of the following benefits:

(A) A retirement income commencing at his Normal Retirement Date in an amount equal to the greater of the Actuarial Equivalent of (1) an amount equal to his Merged Plan Benefit, and (2) his Refunded Amount; or

(B) A retirement income commencing as of the first day of any earlier month designated by him, after he attains age 62 and prior to his Normal Retirement Date, in an amount equal to the greater of the Actuarial Equivalent of (1) his Merged Plan Benefit payable to him at his Normal Retirement Date, and (2) his Refunded Amount.

If the greater of the Refunded Amount and the Actuarial Equivalent of the Merged Plan Benefit of such Merged Plan Participant is not in excess of $3,500, such greater amount shall be paid to the Merged Plan Participant in a lump sum following his termination of employment, in full satisfaction and release of all further rights of the Merged Plan Participant, his Spouse and his Beneficiary to receive his Merged Plan Benefit. Any such lump sum distribution shall be paid within 60 days after the end of the Plan Year in which the Participant's employment with all Employers terminates.

(ii) If a Merged Plan Participant's employment with all Employers terminated after he completed at least the aggregate of five (A) years of Vesting Service (as defined in the Moldcraft Plan) prior to the Plan Merger Date, and (B) years of Vesting Service (as defined in Article II of this Plan) after the Plan Merger Date, and before he both attained age 62 and completed at least the aggregate of 10 (A) years of Vesting Service (as defined in the Moldcraft Plan) prior to the Plan Merger Date, and (B) years of Vesting Service (as defined in Article II of this Plan) after the Plan Merger Date, and if the greater of his Refunded Amount and the Actuarial Equivalent of his Merged Plan Benefit is in excess of $3,500, he shall be entitled to

elect, subject to subparagraph (v)(C) below, to receive one of the following benefits:

(A) A retirement income commencing at his Normal Retirement Date in an amount equal to the greater of (1) his Merged Plan Benefit, and (2) the Actuarial Equivalent of his Refunded Amount;

(B) A retirement income commencing as of the first day of any earlier month designated by him, after he attains age 62 and prior to his Normal Retirement Date, in an amount equal to the greater of the Actuarial Equivalent of (1) his Merged Plan Benefit payable to him at his Normal Retirement Date; and (2) his Refunded Amount; or

(C) His Refunded Amount, payable in a lump sum following his termination of employment, and a Residual Vested Annuity (defined below) payable in a form available under this Plan, commencing either (a) at his Normal Retirement Date, or (b) at his election at any time after the later to occur of his termination of employment with all Employers and his attainment of age 62, and prior to his Normal Retirement Date, in an amount equal to the Actuarial Equivalent of the Residual Benefit payable at his Normal Retirement Date. If the Merged Plan Participant is married, payment of the Refunded Amount may not be made in a lump sum unless the Participant's Spouse consents in writing to his election to receive such payment, such consent acknowledges the effect of such election and is witnessed by a representative of the Plan or a notary public, unless the Merged Plan Participant establishes to the satisfaction of a Plan representative that consent may not be obtained because his Spouse cannot be located or under such other circumstances as the Secretary of the Treasury may by regulation prescribe. If a Merged Plan Participant who makes an election to receive payment of his Refunded Amount in a lump sum pursuant to this subparagraph shall die after making such election and before receiving such payment, and if such Merged Plan Participant is survived by a Surviving Spouse, such election shall automatically be canceled.

(iii) If a Merged Plan Participant's employment with all Employers terminated before he completed at least the aggregate of five (A) years of Vesting Service (as defined in the Moldcraft Plan) prior to the Plan Merger Date, and (B) years of Vesting Service (as defined in Article II of this Plan) after the Plan Merger Date, and if the greater of his Refunded Amount and the Actuarial Equivalent of his Merged Plan Benefit is in excess of

$3,500, he shall be entitled, subject to subparagraph (v)(C) below, to elect:

(A) A retirement income commencing at his Normal Retirement Date in an amount equal to the greater of (1) his Merged Plan Benefit and (2) the Actuarial Equivalent of his Refunded Amount;

(B) His Refunded Amount payable in a lump sum following his termination of employment, and a Residual Vested Annuity, payable in a form available under this Plan, commencing either (a) at his Normal Retirement Date or (b) at his election at any time after the later to occur of his termination of employment with all Employers and his attainment of age 62, and prior to his Normal Retirement Date, in an amount equal to the Actuarial Equivalent of the Residual Benefit payable at his Normal Retirement Date. If the Merged Plan Participant is married, payment of the Refunded Amount may not be made in a lump sum unless his Spouse consents in writing to his election to receive such payment, such consent acknowledges the effect of the election and is witnessed by a representative of the Plan or a notary public, unless the Merged Plan Participant establishes to the satisfaction of a Plan representative that such consent may not be obtained because his Spouse cannot be located, or under such other circumstances as the Secretary of the Treasury may by regulation prescribe. If a Merged Plan Participant who makes an election to receive payment of his Refunded Amount in a lump sum pursuant to this subparagraph shall die after making such election and before receiving such payment, and such Merged Plan Participant is survived by a Surviving Spouse, such election shall automatically be canceled.

(iv) The term "Credited Interest" used with respect to a Participant's contributions to the Moldcraft Plan means interest compounded annually on such contributions at the rate of:

(A) The rate set forth in the Moldcraft Plan for Plan Years ending prior to January 1, 1976;

(B) 5% for Plan Years commencing on or after January 1, 1976 and prior to January 1, 1988;

(C) Thereafter 120% of the federal mid-term rate (as in effect under Section 1274 of the Code) for the first month of each Plan Year commencing on or after January 1, 1988.

(v) If a Merged Plan Participant has elected a refund of his own contributions, together with Credited Interest earned as of the date of refund (the "Refunded Amount"), pursuant to subparagraphs (ii)(C) or (iii)(B), the Refunded Amount, and his retirement income (the "Residual Benefit"), shall be calculated according to the following provisions of this paragraph.

(A) The Refunded Amount shall equal the amount of the Merged Plan Participant's contributions to the Moldcraft Plan plus Credited Interest thereon.

(B) The Residual Benefit of a Merged Plan Participant shall be calculated as follows:

(1) DETERMINE THE "VESTED VALUE" OF THE CONTRIBUTIONS MADE BY AND ON BEHALF OF THE MERGED PLAN PARTICIPANT. The Vested Value is the greater of (1) the annual retirement income payable at the Merged Plan Participant's Normal Retirement Date, determined under the Moldcraft Plan, and (2) a single life annuity payable in an annual amount at his Normal Retirement Date determined by converting the Refunded Amount into such an annuity using the annual rate of interest on 30-year Treasury securities in effect for the month of November last preceding the first day of the Plan Year in which the refund is made (the "Applicable Interest Rate").

(2) DETERMINE THE "VESTED INTEREST" IN THE REFUNDED AMOUNT. The Vested Interest is a single life annuity payable in an annual amount at the Merged Plan Participant's Normal Retirement Date. The determination of the Vested Interest shall be made by converting the Refunded Amount into such an annuity using the Applicable Interest Rate.

(3) DETERMINE THE "RESIDUAL VESTED ANNUITY". The Residual Vested Annuity is determined by reducing the Vested Value, but not below zero, by the amount of the Vested Interest.

(4) DETERMINE THE "RESIDUAL BENEFIT". The Residual Benefit is the lump sum Actuarial Equivalent of the Residual Vested Annuity determined as of the date of refund, based upon the Applicable Interest Rate.

(C) The following provisions shall apply with respect to the payment of the aggregate amount of the Refunded Amount and the Residual Benefit:

(1) If such aggregate amount is not in excess of $3,500, such amount shall be paid to the Merged Plan Participant in a lump sum following his termination of employment, in full satisfaction and release of all further rights of the Merged Plan Participant, his Spouse and his Beneficiary to receive his Merged Plan Benefit.

(2) If such aggregate amount is in excess of $3,500, the Merged Plan Participant shall receive the Refunded Amount in a lump sum following his termination of employment, and shall receive the Residual Vested Annuity, as set forth in subparagraphs (ii)(C) or (iii)(B).

(3) Any lump sum distribution of the Refunded Amount, or the aggregate of the Refunded Amount and the Residual Benefit, pursuant to this paragraph (b) of Section 14.04 shall be paid within 60 days after the end of the Plan Year in which the Merged Plan Participant's employment with all Employers terminates.

(vi) If a Merged Plan Participant dies after the Plan Merger Date, and prior to the date of commencement of payment of his Merged Plan Benefit to him, the excess, if any, of his Refunded Amount over the aggregate payments made to his Surviving Spouse under the Qualified Pre-retirement Survivor Annuity payable under Section 4.07(a), shall be paid to his Beneficiary in a lump sum within 60 days after the end of the Plan Year in which the death of the survivor of the Participant and his Surviving Spouse occurs. However, payment pursuant to the preceding sentence shall be made in the form of an annuity payable over the lifetime of the Beneficiary of the Merged Plan Participant, unless the Beneficiary waives payment in the form of an annuity and requests payment in a lump sum pursuant to the election and notice provisions set forth in Section 5.01 of this Plan.

(c) If a Merged Plan Participant's employment with all Employers terminated on or before November 30, 1990 (i) due to his becoming totally and permanently disabled within the meaning of the Moldcraft Plan, (ii) before he attained age 65, and (iii) after he completed 10 years of Vesting Service (as defined in the Moldcraft Plan) prior to the Plan Merger Date, such Merged Plan Participant shall be entitled to commence receipt of his Merged Plan Benefit as set forth in the Moldcraft Plan as in existence on November 30, 1990. Notwithstanding the preceding sentence, if the Actuarial Equivalent of the Refunded Amount of such Merged Plan Participant exceeds the Actuarial Equivalent of his Merged Plan Benefit payable pursuant to the preceding sentence, he shall be entitled to receive payment of his

Merged Plan Benefit pursuant to the provisions of either Section 14.04(b)(i) or (ii) as applicable.

(d) A Merged Plan Participant whose employment with the Company and all Affiliated Companies terminated prior to the Plan Merger Date is entitled to receive his Merged Plan Benefit pursuant to an optional form of benefit that was available under the Moldcraft Plan at the date of his termination of employment, and that was elected by the Merged Plan Participant prior to the date of his termination of employment pursuant to the terms of the Moldcraft Plan.

14.05 SPECIAL PROVISIONS RELATING TO ANCHOR HOCKING SALARIED PLAN - HOURLY PART. The following shall apply with respect to Merged Plan Participants who participated in the Anchor Hocking Salaried Plan - Hourly Part on or before the Plan Merger Date:

(a) Contributions to the Anchor Hocking Salaried Plan - Hourly Part were permanently discontinued, and all benefits accrued thereunder by Merged Plan Participants became nonforfeitable, effective as of the Benefit Accrual Date. As of the Benefit Accrual Date, Covered Class Employees (as defined in the Anchor Hocking Salaried Plan - Hourly Part for purposes of this Section 14.05), became eligible to participate in this Plan in accordance with the terms of this Plan. For purposes of determining the Accrued Benefit earned from and after the Benefit Accrual Date of Merged Plan Participants who were Covered Class Employees under the Anchor Hocking Salaried Plan -- Hourly Part on the Benefit Accrual Date and who thereafter are employed by an Employer, such Merged Plan Participants shall receive credit for periods of employment with all Employers from and after the Benefit Accrual Date and not for periods of employment with any Employer or any other entity, prior to the Benefit Accrual Date. For purposes of determining such Merged Plan Participants' Vesting Service, nonforfeitable interest in their Accrued Benefits, and their eligibility to participate in this Plan, such Participants shall receive credit (1) for periods of employment with an Affiliated Company (as defined in Article II of this Plan), from and after the Benefit Accrual Date and (2) for periods of employment only with Anchor Hocking Corporation and its affiliates and not with any other entity that was not an Affiliated Company, prior to the Benefit Accrual Date.

(b) A Merged Plan Benefit shall be payable to such Merged Plan Participant (in addition to his benefit set forth under Article IV of this Plan) at the times set forth in Article IV of this Plan. Notwithstanding the preceding sentence, if the Merged Plan Participant has satisfied all eligibility requirements contained in the Anchor Hocking Salaried Plan - Hourly Part necessary to entitle him to receive payment of his Merged Plan Benefit commencing at a date earlier than the date applicable under the terms of this Plan, such Merged Plan Participant shall be entitled, subject to the terms and conditions applicable under the Anchor Hocking Salaried Plan - Hourly Part, to have payment of his Merged Plan Benefit commence as follows:

(i) If a Merged Plan Participant's employment with all Employers terminates before he attains age 65, and if at the time of such termination (A) he has attained age 55 and completed at least the aggregate of 10 (I) years of Vesting Service (as defined in the Anchor Hocking Salaried Plan - Hourly Part) prior to the Plan Merger Date, and (II) years of Vesting Service (as defined in Article II of this Plan) after the Plan Merger Date, or (B) he has attained age 60, such Merged Plan Participant shall be entitled to commence receipt (in accordance with the terms of this Plan) of his Merged Plan Benefit on the first day of any calendar month selected by the Merged Plan Participant on or after the later to occur of the Plan Merger Date and the date of his termination of employment with all Employers, but not later than his Normal Retirement Date (as defined in the Anchor Hocking Salaried Plan - Hourly Part for purposes of this Section 14.05). If the Merged Plan Participant was in the Plant 3 Clerical Unit or the Plant 15 Clerical Unit and had attained age 60, or had attained age 55 and completed at least the aggregate of 30 (A) full years of Vesting Service (as defined in the Anchor Hocking Salaried Plan - Hourly Part) prior to the Plan Merger Date, and (B) years of Vesting Service (as defined in Article II of this Plan) after the Plan Merger Date, at the time of his termination, the amount of his Merged Plan Benefit shall be paid unreduced. If the Merged Plan Participant was in the Plant 3 Clerical Unit or the Plant 15 Clerical Unit and had neither attained age 60, nor both attained age 55 and completed at least the aggregate of 30 (A) full years of Vesting Service (as defined in the Anchor Hocking Salaried Plan-Hourly Part) prior to the Plan Merger Date, and (B) years of Vesting Service (as defined in Article II of this Plan) after the Plan Merger Date, at the time of his termination, the Merged Plan Benefit shall be reduced by one-twelfth of 6% for each month it is to be paid prior to his 60th birthday. If the Merged Plan Participant was in the Plant 26 Bargaining Unit, his Merged Plan Benefit shall be reduced by one-twelfth of 6% for each month it is to be paid prior to his 60th birthday.

(ii) If a Merged Plan Participant's employment with all Employers terminates before he has attained age 65, and he is not eligible under subparagraph (i) next above, he shall be entitled to commence receipt (in accordance with the terms of this Plan) of his Merged Plan Benefit on the first day of the month following the Merged Plan Participant's Normal Retirement Date, unless he elects to have it begin within the ten year period prior to his Normal Retirement Date. If the Merged Plan Participant elects to have such Merged Plan Benefit begin earlier than his Normal Retirement Date, his Merged Plan Benefit shall be a reduced pension (in a level amount) equal to the Actuarial Equivalent of the

Merged Plan Benefit that would have been payable on the Merged Plan Participant's Normal Retirement Date.

(c) If a Merged Plan Participant's employment with all Employers terminates prior to the Benefit Accrual Date (A) due to a Merged Plan Participant becoming Totally Disabled under the terms and conditions defined under the Anchor Hocking Salaried Plan-Hourly Part, (B) before he reaches his Normal Retirement Date, (C) while regularly employed to work for an Employer at least 30 hours per week, (D) while he was a Covered Class Employee, and (E) after completing at least one full year of Anchor Service (as defined under the Anchor Hocking Salaried Plan - Hourly Part for purposes of this Section 14.05), such Merged Plan Participant shall be entitled to commence receipt (in accordance with the terms of this Plan) of his Merged Plan Benefit as follows:

(i) If a Merged Plan Participant satisfies all the conditions necessary for a disability benefit under the Anchor Hocking Salaried Plan - Hourly Part and he continues to be Totally Disabled (as defined in the Anchor Hocking Salaried Plan - Hourly Part for purposes of this Section 14.05) until his Normal Retirement Date and if his employment with the Controlled Group (as defined in the Anchor Hocking Salaried Plan - Hourly Part for purposes of this Section 14.05) is not terminated before his Normal Retirement Date, his employment shall be considered to have been terminated on the day before his Normal Retirement Date and on account of his being Totally Disabled. Such Merged Plan Participant shall be entitled to commence receipt (in accordance with the terms of this Plan) of his Merged Plan Benefit on the first day of the month following the Merged Plan Participant's Normal Retirement Date, unless he elects to have it begin within the ten year period prior to his Normal Retirement Date. If the Merged Plan Participant elects to have such benefit begin earlier than his Normal Retirement Date, his Merged Plan Benefit shall be a reduced pension (in a level amount) equal to the Actuarial Equivalent of the Merged Plan Benefit that would have been payable on the Participant's Normal Retirement Date.

(ii) Solely for purposes of this paragraph (c), the Merged Plan Benefit of a Merged Plan Participant who is Totally Disabled (as defined in the Anchor Hocking Salaried Plan - Hourly Part) shall equal the sum of (1) the portion of his Total Benefit earned under the Anchor Salaried Plan - Hourly Part as of the Benefit Accrual Date, plus (2) the Accrued Benefit earned under this Plan from and after the Benefit Accrual Date based upon the benefit formula in this Plan on the Benefit Accrual Date, the Merged Plan Participant's monthly rate of base pay for the month preceding the date he became Totally Disabled and the consideration of the period of time during which he

continues to be Totally Disabled from and after the Benefit Accrual Date as Benefit Service under this Plan.

(iii) If a Merged Plan Participant satisfies all the conditions necessary for a disability benefit under the Anchor Hocking Salaried Plan -- Hourly Part and he ceases to be Totally Disabled before his Normal Retirement Date, and he does not thereafter return to work for the Controlled Group because he is not requested by a Controlled Group Member to return to work, and if his employment with the Controlled Group is not terminated before he ceases to be Totally Disabled, his employment shall be considered to have been terminated (i) at the time he ceases to be Totally Disabled and (ii) on account of his being Totally Disabled and such Merged Plan Participant shall be entitled to commence receipt (in accordance with the terms of this Plan) of his Merged Plan Benefit as a deferred pension, if so entitled under this Section 14.05, on the first day of the month following the Merged Plan Participant's Normal Retirement Date, unless he elects to have it begin within the ten year period prior to his Normal Retirement Date. If the Merged Plan Participant elects to have such benefit begin earlier than his Normal Retirement Date, his Merged Plan Benefit shall be a reduced pension (in a level amount) equal to the Actuarial Equivalent of the Merged Plan Benefit that would have been payable on the Merged Plan Participant's Normal Retirement Date.

(d) If a Merged Plan Participant dies before his Merged Plan Benefit commences, his Surviving Spouse shall be entitled to commence receipt (in accordance with the terms of this Plan) of his Merged Plan Benefit as follows:

(i) In the case of the Surviving Spouse of a Merged Plan Participant who died while an active employee and who (A) had attained age 50 (age 55 if on his QTAM, as defined in the Anchor Hocking Salaried Plan - Hourly Part for purposes of this Section 14.05, he is in the Plant 26 Bargaining Unit) but not age 65 and (B) had completed at least the aggregate of 10 (I) years of Vesting Service (as defined in the Anchor Hocking Salaried Plan - Hourly Part) prior to the Plan Merger Date, and (II) years of Vesting Service (as defined in Article II of this Plan) after the Plan Merger Date, the Merged Plan Benefit to which she is entitled (a) shall be a monthly pension payable for her remaining lifetime in the amount specified in subsequent sentences of this paragraph, (b) shall begin on the first day of the month after such Merged Plan Participant would have attained age 65 had he not died or, if the Surviving Spouse requests earlier commencement thereof, on the first day of any month following the Merged Plan Participant's death, but in any case only if the Surviving Spouse is

living on such date and otherwise eligible to receive such Merged Plan Benefit, and (c) shall cease with the payment for the month in which she dies. If such Merged Plan Participant died on or after age 55 (and before age 65), the monthly amount of such Merged Plan Benefit payable to his Surviving Spouse shall be equal to 50% of what would have been the monthly amount of such Merged Plan Participant's Merged Plan Benefit payable as an Early Retirement Pension (as defined in the Anchor Hocking Salaried Plan - Hourly Part for the purposes of this Section 14.05) if (A) he had Retired (as defined in the Anchor Hocking Salaried Plan - Hourly Part for purposes of this Section 14.05), at the end of the month in which he died and he had continued to live, (B) his Early Retirement Pension had begun in the first month after the later of the month in which he in fact died or the month in which he would have reached age 60 if he had continued to live and (C) his Early Retirement Pension was paid as an annuity for his lifetime only. If such Merged Plan Participant died on or after age 50 and before age 55, and at the time of his death (or at the time of his QTAM, if that is earlier) such Merged Plan Participant was in the Plant 3 Clerical Unit or the Plant 15 Clerical Unit, the monthly amount of such Merged Plan Benefit shall be equal to 50% of the monthly amount of the Merged Plan Benefit payable as a Deferred Vested Pension (as defined in the Anchor Hocking Salaried Plan - Hourly Part for purposes of this Section 14.05) beginning on the Merged Plan Participant's Normal Retirement Date, to which he would have been entitled if (A) he had resigned from employment with all Controlled Group Members (as defined in the Anchor Hocking Salaried Plan - Hourly Part for purposes of this Section 14.05), at the end of the month in which he in fact died, (B) he had continued to live until after his Normal Retirement Date and (C) his Deferred Vested Pension was paid as an annuity for his lifetime only. In computing the amount of such Merged Plan Benefit payable to a Surviving Spouse pursuant to this subparagraph (i), any early retirement reductions, and the Cap (as defined in the Anchor Hocking Salaried Plan - Hourly Part for purposes of this Section 14.05) shall be ignored.

(ii) In the case of the Surviving Spouse of a Merged Plan Participant who died while an active employee and (A) had attained age 60 but not age 65 and had not completed at least the aggregate of 10 (I) years of Vesting Service (as defined in the Anchor Hocking Salaried Plan - Hourly Part) prior to the Plan Merger Date, and (II) years of Vesting Service (as defined in Article II of this Plan) after the Plan Merger Date, or (B) had attained age 65, (regardless of his aggregate years of Vesting Service), the Merged Plan Benefit to which she is entitled shall be such Merged Plan Benefit as she would have been entitled to receive if (1) such Merged Plan Participant had retired in the month

preceding his death and under circumstances which would have allowed the Merged Plan Participant to receive his Merged Plan Benefit payable as an Early Retirement Pension under the Anchor Hocking Salaried Plan - Hourly Part, (2) his Early Retirement Pension had begun in the month in which he in fact died and (3) his Early Retirement Pension was payable under the Semi-Automatic 50% J & S Option (as defined in the Anchor Hocking Salaried Plan - Hourly Part for purposes of this Section 14.05). In computing the amount of such Merged Plan Benefit, payable to a Surviving Spouse pursuant to this paragraph (ii), any early retirement reductions and the Cap shall be ignored. Such Merged Plan Benefit (1) shall begin as provided in clause (b) of subparagraph (i) of this paragraph, (2) shall, except as otherwise provided herein, be payable monthly thereafter (on the first of each month) during her remaining lifetime and (3) shall cease with the payment for the month in which she dies.

(iii) (A) In the case of the Surviving Spouse of a deceased Merged Plan Participant not described in subparagraphs (i) or (ii) above, the Merged Plan Benefit to which she is entitled shall be a monthly Merged Plan Benefit for the life of the Surviving Spouse with payments equal to the payments which would have been payable to such Surviving Spouse under the Semi-Automatic 50% J & S Option (based on the Merged Plan Participant's actual Benefit Service (as defined in the Anchor Hocking Salaried Plan - Hourly Part for purposes of this Section 14.05)) if --

(1) in the case of a Merged Plan Participant who dies after his attainment of the age and Vesting Service requirements of Section 14.05(b)(i) (the "Qualified Earliest Retirement Age"), such Merged Plan Participant had retired on the day before his death with an immediate Semi-Automatic 50% J & S Option in effect, or

(2) in the case of a Merged Plan Participant who dies on or before the date on which he would have attained his Qualified Earliest Retirement Age, such Merged Plan Participant had:

(a) terminated his employment with the Controlled Group on the date of his death;

(b) survived to his Qualified Earliest Retirement Age;

(c) retired at his Qualified Earliest Retirement Age with an immediate Semi-Automatic 50% J & S Option in effect, and

(d) died on the day after the day on which he would have attained his Qualified Earliest Retirement Age.

(B) The Merged Plan Benefit provided for in subparagraph (A) of this subparagraph (iii) shall commence to be paid to the Surviving Spouse on the first day of the month after the Merged Plan Participant would have attained age 65 had he not died or, if the Surviving Spouse requests earlier commencement thereof, on the first day of any earlier month after the later of (1) the first day of the month after the Merged Plan Participant's death or (2) the first day of the month in which the Merged Plan Participant would have attained his Qualified Earliest Retirement Age, but in any case only if the Surviving Spouse is living on such date and is otherwise eligible to receive such Merged Plan Benefit. Payments shall continue during the Surviving Spouse's remaining lifetime, and shall cease with the payment for the month in which such Surviving Spouse dies.

(C) In computing the amount of the Merged Plan Benefit provided for in subparagraph (A) of this subparagraph (iii), any early retirement reductions shall be taken into account, and the Cap shall be ignored.

(e) A Merged Plan Participant may elect, pursuant to the spousal consent provisions of Section 5.01 of this Plan, any one of the optional forms of benefits specified in this paragraph with respect to his Merged Plan Benefit. Any optional form of benefit set forth in Article V of this Plan shall apply only to the Accrued Benefit earned by the Merged Plan Participant from and after the Benefit Accrual Date. Any optional form of benefit or combination of optional forms of benefits set forth in this paragraph shall be the Actuarial Equivalent of the Merged Plan Benefit otherwise payable with respect to the Merged Plan Participant.

(i) REGULAR J & S OPTION: A Merged Plan Participant may elect to receive his Merged Plan Benefit as a reduced pension payable to him during his lifetime on and after his pension commencement date, and after his death to have a pension payable during the surviving lifetime of and for a

natural person (herein called "Joint Pensioner") designated by the Merged Plan Participant for such purpose at the same reduced rate as was payable for the Merged Plan Participant or (if elected by the Merged Plan Participant) at the rate of 50% of the reduced Merged Plan Benefit as was payable to the Merged Plan Participant. Evidence satisfactory to the Pension Administrative Committee of the date of birth of the Merged Plan Participant and of his Joint Pensioner must be furnished within 90 days of the filing of such election with the Pension Administrative Committee. The amount of the reduced Merged Plan Benefit payable under such an option depends in part on (A) the normal life expectancy of the Merged Plan Participant and his Joint Pensioner and (B) the Merged Plan Participant's choice of the percentage of his reduced Merged Plan Benefit to be paid after his death to his Joint Pensioner. Pension payments for the Joint Pensioner shall begin with the first day of the month after the month in which the Merged Plan Participant dies, provided his death does not void the election of this option of the Anchor Hocking Salaried Plan - Hourly Part, and provided his Joint Pensioner is living on such day, and the last monthly payment for him or her shall be payable on the first day of the last month in which he or she is living. If a Merged Plan Participant's Joint Pensioner dies before the Merged Plan Participant's pension commences, the election shall be of no effect and the Merged Plan Participant shall be treated the same as though he had not elected an option pursuant to this subparagraph. If a Merged Plan Participant's Joint Pensioner dies on or after the Merged Plan Participant's pension is to commence and while the Merged Plan Participant is living, the option elected shall continue in force and the Merged Plan Participant's reduced Merged Plan Benefit shall not be increased thereby.

(ii) LEVEL INCOME OPTION: A Merged Plan Participant, who at the time of his retirement, death or termination is eligible for a pension benefit under the Anchor Hocking Salaried Plan - Hourly Part, and who is in the Plant 3 Clerical Unit or the Plant 15 Clerical Unit, who retires before reaching the earliest age at which a retired worker may elect to have his old age benefits under the U.S. Social Security Act begin and who is not eligible for a Social Security Disability Benefit (as defined in the Anchor Hocking Salaried Plan - Hourly Part for purposes of this Section 14.05), may elect (in accordance with procedures established by the Pension Administrative Committee) to have the amount of his Merged Plan Benefit otherwise payable for him increased before such earliest age and decreased thereafter, to the end that his Merged Plan Benefit, when combined with his old age benefits under the U.S. Social Security Act (as in effect at the time of his retirement) in

the amount estimated to be payable beginning at such earliest age, will provide a level amount of retirement income insofar as practicable. A Merged Plan Participant's election of this Level Income Option shall become void if (A) he does not become entitled to an Early Retirement Pension (as defined under the Anchor Hocking Salaried Plan - Hourly Part for purposes of this Section 14.05) or (B) his Merged Plan Benefit is payable under a J & S Option (as defined under the Anchor Hocking Salaried Plan - Hourly Part for purposes of this Section 14.05).

(iii) OTHER OPTIONS: A Merged Plan Participant whose employment with the Company and all Affiliated Companies terminated prior to the Plan Merger Date is entitled to receive his Merged Plan Benefit pursuant to an optional form of benefit that was available under the Anchor Hocking Salaried Plan - Hourly Part at the date of his termination of employment, and that was elected by the Merged Plan Participant prior to the date of his termination of employment pursuant to the terms of the Anchor Hocking Salaried Plan - Hourly Part.

(f) Notwithstanding the following, in the case of a Merged Plan Participant who is in the Plant 26 Bargaining Unit just before his QTAM, the figure '60' shall be substituted for the figure '72' whenever the figure '72' appears in the balance of this paragraph (f).

The following shall apply to the payment of a Merged Plan Benefit:

(i) In the case of a Merged Plan Participant, who dies on or after his Merged Plan Benefit is to commence and whose Merged Plan Benefit has not been discharged by a lump sum payment, if such death occurs before he has become entitled to receive 72 monthly payments of his Merged Plan Benefit, and if a J & S Option under subparagraph (e)(i) of this Section is not applicable to him, his Beneficiary shall be paid the same Merged Plan Benefit as would have been payable for such Merged Plan Participant if he had continued to live until the equivalent of 72 monthly Merged Plan Benefit payments have been made to him and/or his Beneficiary.

(ii) In the case of a Merged Plan Participant described in clause (i) above for whom a J & S Option under subparagraph (e)(i) of this section is applicable, if he and his Joint Pensioner die before one or both of them have become entitled to receive 72 monthly payments with respect to his Merged Plan Benefit, such Merged Plan Participant's Beneficiary shall be paid the same monthly Merged Plan Benefit as would have been payable to the survivor of such

Merged Plan Participant and his Joint Pensioner if such survivor had continued to live, until the equivalent of 72 monthly Merged Plan Benefit payments have been made to such Merged Plan Participant, his Joint Pensioner and/or his Beneficiary, except that, for this purpose, a Merged Plan Participant's Joint Pensioner shall not be considered to survive such Merged Plan Participant if he or she dies before a Merged Plan Benefit payment becomes payable for him or her under such Merged Plan Participant's J & S Option.

(iii) In the case of a Merged Plan Participant whose Merged Plan Benefit is payable under the Level Income Option specified in subparagraph (e)(ii) above, and who dies during the 72 month period certain specified herein, the same monthly payments shall be made to his Beneficiary for the balance of such 72 month period certain as would have been payable to the Merged Plan Participant if he had continued to live.

(iv) In the case of a Merged Plan Participant who was a Member (as defined in the Anchor Hocking Salaried Plan - Hourly Part for purposes of this Section 14.05) who continues in the employ of the Controlled Group Member after his Normal Retirement Date, who dies while still a Member, and for whom the J & S Option is applicable or who has a Surviving Spouse eligible for a Surviving Spouse Pension under paragraph (d) of this section, if the Merged Plan Participant's Joint Pensioner or Surviving Spouse, as the case may be, dies before becoming entitled to receive 72 monthly payments with respect to his Merged Plan Benefit, such Merged Plan Participant's Beneficiary shall be paid the same Merged Plan Benefit as would have been payable to his Joint Pensioner or Surviving Spouse if such Joint Pensioner or Surviving Spouse had continued to live until the equivalent of 72 monthly Merged Plan Benefit payments have been made to such Joint Pensioner or Surviving Spouse and/or his Beneficiary, except that, for this purpose, a Merged Plan Participant's Joint Pensioner or Surviving Spouse shall not be considered to survive such Merged Plan Participant if he or she dies before a Merged Plan Benefit payment becomes payable to him or her under such Merged Plan Participant's J & S Option or under paragraph (d) of this section.

(v) If a Merged Plan Participant who retires before his Normal Retirement Date dies after the month in which his retirement occurs, if paragraph (b) of this section is not applicable to him, if no Merged Plan Benefit is payable to his Beneficiary under subparagraphs (f)(i), (ii) or (iii), solely because the Merged Plan Participant's death occurred before his Merged Plan Benefit commenced, and if he does not have a Surviving Spouse who is eligible for a Merged Plan Benefit under paragraph (d) of this section, his Beneficiary

shall be paid for 72 months (beginning with the month after the death of such Merged Plan Participant) the amount of the Merged Plan Benefit that would have been payable to such Merged Plan Participant, if he had not died and had duly elected to have his Merged Plan Benefit payable pursuant to paragraph (b)(i) of this Section beginning on the first day of the month after the month in which he in fact did die.

14.06 SPECIAL PROVISIONS RELATING TO SANFORD SALARIED PLAN. The following shall apply with respect to Merged Plan Participants who participated in the Sanford Salaried Plan on or before the Plan Merger Date:

(a) Benefit accruals under the Sanford Salaried Plan were permanently discontinued effective as of the Benefit Accrual Date. As of the Plan Merger Date, Active Members (as defined in the Sanford Salaried Plan for purposes of this Section 14.06) became eligible to participate in this Plan in accordance with the terms of this Plan. For purposes of determining the Accrued Benefit earned from and after the Plan Merger Date by Merged Plan Participants who were Active Members in the Sanford Salaried Plan on the Plan Merger Date and who thereafter are employed by an Employer, such Merged Plan Participants shall receive credit for periods of employment with all Employers from and after the Plan Merger Date and for periods of participation in the Sanford Salaried Plan prior to the Plan Merger Date and not for any other periods of employment with any Employer or any other entity, prior to the Plan Merger Date. For purposes of determining such Merged Plan Participants' Vesting Service, nonforfeitable interest in their Accrued Benefits, and their eligibility to participate in this Plan, such Merged Plan Participants shall receive credit (1) for periods of employment with any Employer or any other Affiliated Company (as defined in Article II of this Plan) from and after the Plan Merger Date, and (2) for periods of employment only with Sanford Corporation, and all Employers and Affiliated Companies, and not for periods of employment with any other entity that was not an Affiliated Company, prior to the Plan Merger Date.

(b) A Merged Plan Benefit shall be payable to a Merged Plan Participant (in addition to his benefit set forth under Article IV of this Plan) at the times set forth in Article IV of this Plan. Notwithstanding the preceding sentence, if the Merged Plan Participant has satisfied all eligibility requirements contained in the Sanford Salaried Plan necessary to entitle him to receive payment of his Merged Plan Benefit commencing at a date earlier than the date applicable under the terms of this Plan, such Participant shall be entitled, subject to the terms and conditions applicable under the Sanford Salaried Plan, to have payment of his Merged Plan Benefit commence as follows:

(i) If a Merged Plan Participant's employment with all Employers terminates before he attains age 65, and if at the time of such termination he has both attained age 55 and

completed at least the aggregate of 20 (A) years of Vesting Service (as defined in the Sanford Salaried Plan) prior to the Plan Merger Date, and (B) years of Vesting Service, (as defined in Article II of this Plan) after the Plan Merger Date, such Merged Plan Participant shall be entitled to commence receipt (in accordance with the terms of this Plan) of his Merged Plan Benefit on the first day of any calendar month selected by the Merged Plan Participant on or after the later to occur of the Plan Merger Date and the date of his termination of employment with all Employers, but not later than his Normal Retirement Date (as defined in the Sanford Salaried Plan for purposes of this Section 14.06). The Merged Plan Benefit payable to such Merged Plan Participant shall be reduced pursuant to Table C (attached to the Sanford Salaried Plan on December 1, 1992).

(ii) If a Merged Plan Participant's employment with all Employers terminates, and he is not eligible under subparagraph (i) next above, such Merged Plan Participant shall be entitled to commence receipt (in accordance with the terms of this Plan) of his Merged Plan Benefit on the first day of the month following the Merged Plan Participant's Normal Retirement Date, unless he elects, pursuant to the following sentence, to have it begin within the ten year period prior to his Normal Retirement Date. If any such Merged Plan Participant who has completed at least the aggregate of 20 (A) years of Vesting Service (as defined in the Sanford Salaried Plan) prior to the Plan Merger Date, and (B) years of Vesting Service (as defined in Article II of this Plan) after the Plan Merger Date, at the time of such termination, elects to have his Merged Plan Benefit begin earlier than his Normal Retirement Date, his Merged Plan Benefit shall be reduced pursuant to Table C attached to the Sanford Salaried Plan on December 1, 1992.

(c) If a Merged Plan Participant dies before payment of his Merged Plan Benefit commences, and after completing at least the aggregate of five (A) years of Vesting Service (as defined in the Sanford Salaried Plan) prior to the Plan Merger Date, and (B) years of Vesting Service (as defined in Article II of this Plan) after the Plan Merger Date, his Surviving Spouse shall be entitled to commence receipt (in accordance with the terms of this Plan) of his Merged Plan Benefit. The Merged Plan Benefit to which she is entitled shall be a monthly benefit for the life of the Surviving Spouse with payments equal to the payments that would have been payable to such Surviving Spouse under the Qualified Joint and Survivor Annuity option if --

(i) in the case of a Merged Plan Participant who dies after he attains age 55 (the "Qualified Earliest Retirement Age"), such Merged Plan Participant had retired on the day before his death with an immediate Qualified Joint and Survivor Annuity in effect, or

(ii) in the case of a Merged Plan Participant who dies on or before the date on which he would have attained his Qualified Earliest Retirement Age, such Merged Plan Participant had:

(A) terminated his employment with the Controlled Group on the date of his death;

(B) survived to his Qualified Earliest Retirement Age;

(C) retired at his Qualified Earliest Retirement Age with an immediate Qualified Joint and Survivor Annuity in effect, and

(D) died on the day after the day on which he would have attained his Qualified Earliest Retirement Age.

(ii) The Merged Plan Benefit provided for in this paragraph shall commence to be paid to the Surviving Spouse on the first day of the month after the Merged Plan Participant would have attained age 65 had he not died. However, if the Merged Plan Participant had completed at least the aggregate of 20 (A) years of Vesting Service (as defined in the Sanford Salaried Plan) prior to the Plan Merger Date, and (B) years of Vesting Service (as defined in Article II of this Plan) after the Plan Merger Date, at the date of his death, and if his Surviving Spouse requests earlier commencement thereof, the Merged Plan Benefit shall commence to be paid to the Surviving Spouse on the first day of any earlier month after the later of (A) the first day of the month after the Merged Plan Participant's death or (B) the first day of the month in which the Merged Plan Participant would have attained his Qualified Earliest Retirement Age, but in any case only if the Surviving Spouse is living on such date and is otherwise eligible to receive such benefit. Payments shall continue during the Surviving Spouse's remaining lifetime, and shall cease with the payment for the month in which such Surviving Spouse dies.

(iii) In computing the amount of the Merged Plan Benefit under this paragraph (c), any reductions for early commencement shall be taken into account pursuant to Table C attached to the Sanford Salaried Plan on December 1, 1992.

(d) A Merged Plan Participant may elect, pursuant to the spousal consent provisions of Section 5.01 of this Plan, any one of the optional forms of benefits specified in this paragraph with respect to his Merged Plan Benefit. Any optional form of benefit set forth in Article V of this Plan shall apply only to the Accrued Benefit earned by the Merged Plan Participant from and after the

Benefit Accrual Date. Any optional form of benefit or combination of optional forms of benefits set forth in this paragraph shall be the Actuarial Equivalent of the Merged Plan Benefit otherwise payable with respect to the Merged Plan Participant.

(i) REGULAR J & S OPTIONS: A Merged Plan Participant may elect to receive his Merged Plan Benefit as a reduced pension payable to him during his lifetime on and after the date on which his Merged Plan Benefit is to commence, and after his death to have a pension payable during the surviving lifetime of and for a natural person (herein called "Joint Pensioner") designated by the Merged Plan Participant for such purpose at the same reduced rate payable to the Merged Plan Participant or (if elected by the Merged Plan Participant) at the rate of 50%, 66 % or 75% of the reduced pension payable to the Merged Plan Participant. Evidence satisfactory to the Pension Administrative Committee of the date of birth of the Merged Plan Participant and of his Joint Pensioner must be furnished within 90 days of the filing of such election with the Pension Administrative Committee. The amount of the reduced pension payable under such an option depends in part on (A) the age of the Merged Plan Participant and his Joint Pensioner and (B) the Merged Plan Participant's choice of the percentage of his reduced pension to be paid after his death to his Joint Pensioner, as set forth in Table E of Schedule 4 attached hereto. Pension payments for the Joint Pensioner shall begin with the first day of the month after the month in which the Merged Plan Participant dies, provided his death does not void the election of this option, and provided his Joint Pensioner is living on such day, and the last monthly payment for the Joint Pensioner shall be payable on the first day of the last month in which he or she is living. If the Joint Pensioner dies before the Merged Plan Participant's pension commences, the election shall be of no effect and the Merged Plan Participant shall be treated the same as though he had not elected an option pursuant to this subparagraph. If the Joint Pensioner dies on or after his Merged Plan Participant's pension commences and while the Merged Plan Participant is living, the option elected shall continue in force and the Merged Plan Participant's reduced pension shall not be increased thereby.

(ii) TEN OR FIFTEEN-YEARS CERTAIN. A Merged Plan Participant may elect to receive his Merged Plan Benefit as a reduced pension (as set forth in Table H of Schedule 4 attached hereto) payable to him during his lifetime on and after the date on which his Merged Plan Benefit is to commence, and in the event of the Merged Plan Participant's death before the end of a ten or fifteen year period commencing with the date on which payments commenced, to

have the same amount payable to his Beneficiary, designated by him in writing filed with the Pension Administrative Committee before his death, for the remainder of such period.

(iii) OTHER OPTIONS. A Merged Plan Participant whose employment with the Company and all Affiliated Companies terminated prior to the Plan Merger Date is entitled to receive his Merged Plan Benefit pursuant to an optional form of benefit that was available under the Sanford Salaried Plan at the date of his termination of employment, and that was elected by the Merged Plan Participant prior to the date of his termination of employment pursuant to the terms of the Sanford Salaried Plan.

(e) A Merged Plan Participant who participated in the Sanford Salaried Plan on or before the Plan Merger Date, and who has not completed at least the aggregate of five (i) years of Vesting Service (as defined in the Sanford Salaried Plan) prior to the Plan Merger Date, and (ii) years of Vesting Service (as defined in Article II of this Plan) after the Plan Merger Date, on his Severance Date, shall not be entitled to a Merged Plan Benefit under the Sanford Salaried Plan and the provisions of this Section 14.06 shall not be applicable with respect to such Merged Plan Participant.

ARTICLE XV

Special Provisions

15.01 SPECIAL PROVISIONS RELATING TO CERTAIN EMPLOYEES OF PACKAGING DIVISION OF ANCHOR HOCKING CORPORATION. For purposes of this Section, Transferred Employees shall mean all Employees who were actively employed (including Employees on authorized leave of absence, disability leave, military service or layoff with recall rights) by the Packaging Division of Anchor Hocking Corporation at its locations in Lancaster, Ohio, Weirton, West Virginia, Connellsville, Pennsylvania and Glassboro, New Jersey on December 31, 1992 ("Transfer Date"). Notwithstanding any other provisions of the Plan, the following provisions of this Section shall apply to Transferred Employees:

(a) Accrued Benefits and Credited Service of Transferred Employees shall cease, and Transferred Employees shall be considered to have attained their Severance Dates, as of the Transfer Date.

(b) Notwithstanding paragraph (a) above, a Transferred Employee who commenced employment with CarnaudMetalbox Holdings (USA), Inc., a Delaware corporation, any successor thereto or any affiliates thereof ("Subsequent Employer") on the Transfer Date, and whose

employment with the Subsequent Employer terminates for any reason at any time after the Transfer Date, shall receive credit for actual service with the Subsequent Employer after the Transfer Date for purposes of determining Eligibility Years of Service, Vesting Service and attainment of an Early Retirement Date, under the Plan, but shall not receive credit for any period of service with the Successor Employer from and after the Transfer Date for purposes of determining Credited Service, his Normal Retirement Benefit or his Accrued Benefit under the Plan.

(c) If a Transferred Employee elects payment of his Merged Plan Benefit (defined in Section 14.01(f)) in the form of a Level Income Option under Section 14.03(e)(ii) or Section 14.05(e)(ii), he must deliver to the Pension Administrative Committee, within 120 days after election of such Option, a written estimate of his social security benefit prepared by the Social Security Administration. The Pension Administrative Committee shall be entitled to conclusively rely upon such estimate in determining the amount of payments under the Level Income Option. If such estimate is not received within such time period, the election of the Level Income Option with respect to the Merged Plan Benefit shall not be valid.

(d) If a Transferred Employee terminates employment with a Subsequent Employer after the Transfer Date, but prior to qualifying for a Vested Benefit under Section 4.04, payment of a Vested Benefit prior to a Normal Retirement Date under Sections 4.04 and 4.05(a), or payment of a benefit at an Early Retirement Date under Section 4.03, and if he is later reemployed by the Subsequent Employer, the Transferred Employee shall receive credit for actual service with the Subsequent Employer rendered before and after such reemployment for purposes of determining Eligibility Years of Service, Vesting Service and the attainment of an Early Retirement Date under the Plan, and satisfaction of the requirements for such benefit, only to the extent provided by the provisions set forth in the definition of Vesting Service in Article II of the Plan, but shall not receive credit for service after such reemployment for purposes of determining Credited Service, his Normal Retirement Benefit or his Accrued Benefit under the Plan. The age of the Transferred Employee for purposes of determining his eligibility for payment of a benefit under the Plan shall be his age at the time he initially terminates employment with the Subsequent Employer, or at the time he later terminates employment with the Subsequent Employer after an initial termination and reemployment, as the case may be.

15.02 SPECIAL PROVISIONS RELATING TO SALARIED EMPLOYEES AT COUNSELOR COMPANY. Notwithstanding any provision of the Plan to the contrary, each Participant who was a salaried employee of Counselor Company in Rockford, Illinois on October 27, 1993 is entitled to receive a monthly benefit equal to his entire Accrued Benefit as of his Severance Date, determined pursuant to the provisions of Section 4.04 and other applicable provisions of the Plan without regard to the

number of years of Vesting Service completed by such Participant on such date.

15.03 SPECIAL PROVISIONS RELATING TO STERLING SALARIED EMPLOYEES.

(a) Notwithstanding any provision of the Plan to the contrary, each Participant who was a salaried employee of Sterling, Inc. in Mountainside, New Jersey, with spousal consent given pursuant to the provisions of Section 5.01 if applicable, waived payment of his Accrued Benefit in the form of an annuity, and received a lump sum distribution equal to the Actuarial Equivalent of his Accrued Benefit during the month of December, 1993.

15.04 SPECIAL PROVISIONS RELATING TO EMPLOYEES TRANSFERRING FROM AFFILIATED COMPANIES. If an Employee transfers from employment with an Affiliated Company that is not a Participating Employer to employment with a Participating Employer, and subsequently becomes a Participant, such Employee shall receive credit for Vesting Service earned while employed by the Affiliated Company that is not a Participating Employer. Such Employee shall not receive credit for any Credited Service as a result of his employment with the Affiliated Company that is not a Participating Employer.

ARTICLE XVI

Provisions Relating to Additional Merger of Plans

16.01 DEFINITIONS. For purposes of this Article, the following words and phrases shall have the meanings set forth below:

(a) "Actuarial Equivalent" or "Actuarial Equivalence" shall mean with respect to each Merged Plan the equality in value of aggregate amounts expected to be received under different forms of payment, or to be received at different dates, determined on the basis of the assumptions and methods set forth in the attached schedule applicable to each Merged Plan as of the applicable Plan Merger Date, or, if applicable, Article XVII.

(b) "Benefit Accrual Date" shall mean January 1, 1995 with respect to the Goody Salaried Plan and the Stuart Hall Retirement Plan, January 1, 1996 with respect to the Faber-Castell Salaried Plan, and April 1, 1996 with respect to the Berol Plan.

(c) "Berol Plan" shall mean the Empire Berol Corporation Revised Basic Pension Plan.

(d) "Faber-Castell Salaried Plan" shall mean the Faber-Castell Retirement Plan for Salaried Employees.

(e) "Goody Salaried Plan" shall mean the Goody Products, Inc. Pension Plan for Salaried Employees.

(f) "Merged Plan" shall mean each of the Goody Salaried Plan, the Stuart Hall Retirement Plan, the Faber-Castell Salaried Plan, and the Berol Plan as in existence on the applicable Plan Merger Date.

(g) "Merged Plan Benefit" shall mean the vested portion of the Total Benefit earned by a Merged Plan Participant under a Merged Plan as of the applicable Plan Merger Date that has not been fully distributed to, or used to purchase an annuity distributed to, the Merged Plan Participant.

(h) "Merged Plan Participant" shall mean any person who has earned a vested accrued benefit under a Merged Plan as of the applicable Plan Merger Date, if such benefit has not been fully distributed to, or an annuity has not been purchased for and distributed to, the Merged Plan Participant with respect to such vested accrued benefit as of the applicable Plan Merger Date.

(i) "Plan Merger Date" shall mean January 1, 1995 with respect to each of the Goody Salaried Plan and the Stuart Hall Retirement Plan, December 31, 1995 with respect to the Faber-Castell Salaried Plan, and April 1, 1996 with respect to the Berol Plan.

(j) "Stuart Hall Retirement Plan" shall mean the Stuart Hall Company, Inc. Non-Bargaining Unit Employees' Retirement Plan.

(k) "Total Benefit" shall mean the sum of a Participant's Accrued Benefit as defined in Article II of this Plan earned from and after the applicable Benefit Accrual Date, if any, and his Merged Plan Benefit.

16.02 GENERAL. (a) Effective as of the applicable Plan Merger Date, the assets held in trust under each of the Merged Plans were merged with and into the assets held in trust under this Plan. In connection with these mergers, this Plan assumed all liabilities to Merged Plan Participants for Merged Plan Benefits. This Article sets forth special rules applicable to Merged Plan Participants under this Plan and will supplement the other provisions of this Plan with respect to such Merged Plan Participants in connection with their Merged Plan Benefits. The provisions of this Article shall be applied to their Merged Plan Benefits notwithstanding, and in lieu of, any other provision contained elsewhere in this Plan.

(b) The merged assets of the Merged Plans shall be used to provide benefits with respect to all Participants under this Plan, including Merged Plan Participants.

(c) The Total Benefit, on a termination basis (within the meaning of Treasury Regulation Section 1.414(1)), to which any Merged

Plan Participant is entitled under this Plan shall, immediately after the applicable Plan Merger Date, be equal to or greater than the benefit to which such Merged Plan Participant was entitled, on a termination basis, under the applicable Merged Plan immediately prior to the applicable Plan Merger Date. This paragraph (c) shall not be construed to increase or decrease the nonforfeitable benefit accrued for any Merged Plan Participant under the applicable Merged Plan, or under this Plan, as of the applicable Plan Merger Date. This Article XVI shall be administered consistent with the requirements of Sections 411 and 414(1) of the Code and the Treasury Regulations promulgated thereunder.

(d) A Merged Plan Participant who becomes a Participant under this Plan shall be deemed to have satisfied the requirements for a pension under Section 4.04 hereof for purposes of eligibility for a Qualified Pre-retirement Survivor Annuity under Section 4.07(a) hereof if he has a nonforfeitable interest in a Total Benefit. The Qualified Pre-retirement Survivor Annuity payable under Section 4.07(a) with respect to a Merged Plan Participant shall be based on his Total Benefit, except to the extent that any portion of such Benefit is otherwise distributable pursuant to this Article, or otherwise, and shall be subject to offset as provided in Section 4.07(a).

(e) Notwithstanding any provision to the contrary contained herein or in any of the Merged Plans, this Plan is intended to conform to the requirements of (i) the Code as amended by the Tax Reform Act of 1986, the Revenue Act of 1987, the Technical and Miscellaneous Revenue Act of 1988, the Omnibus Budget Reconciliation Act of 1989, the Revenue Reconciliation Act of 1990 and the Revenue Reconciliation Act of 1993; (ii) ERISA as amended by the Retirement Equity Act of 1984; and (iii) all other statutes and all governmental rulings and regulations applicable to this Plan as of December 31, 1995. Each such Act, statute, ruling or regulation shall apply to each of the Merged Plans as of the effective date applicable with respect to each such Merged Plan.

(f) All distribution elections made by a Merged Plan Participant, or his Surviving Spouse or Beneficiary, if applicable, shall be made by written instrument delivered by the Merged Plan Participant, Surviving Spouse or Beneficiary to the Pension Administrative Committee at least thirty days before such election is to take effect.

(g) For purposes of the cash out provisions of Section 4.15 of the Plan, the Actuarial Equivalent of a Merged Plan Benefit will be based upon Section 16.01(a).

16.03 SPECIAL PROVISIONS RELATING TO GOODY SALARIED PLAN. The following shall apply with respect to Merged Plan Participants who participated in the Goody Salaried Plan on or before the Plan Merger Date:

(a) Benefit Accruals under the Goody Salaried Plan were permanently discontinued effective as of the Benefit Accrual Date. As of the Benefit Accrual Date, Covered Employees (as defined in the Goody Salaried Plan for purposes of this Section 16.03) became eligible to participate in this Plan in accordance with the terms of this Plan. For purposes of determining the Accrued Benefit earned from and after the Benefit Accrual Date of Merged Plan Participants who were Covered Employees under the Goody Salaried Plan on the Benefit Accrual Date, and who thereafter are employed by an Employer, such Merged Plan Participants shall receive credit for periods of employment with all Employers from and after the Benefit Accrual Date and not for periods of employment with any Employer or any other entity, prior to the Benefit Accrual Date. For purposes of determining such Merged Plan Participants' Vesting Service, nonforfeitable interests in their Merged Plan Benefits and Accrued Benefits, and their eligibility to participate in this Plan, such Merged Plan Participants shall receive credit (1) for periods of employment with an Affiliated Company (as defined in Article II of this Plan) from and after the Benefit Accrual Date and (2) for periods of employment only with Goody Products, Inc. and its affiliates, and not with any other entity that was not an Affiliated Company of Goody Products, Inc., prior to the Benefit Accrual Date.

(b) A Merged Plan Benefit shall be payable to a Merged Plan Participant (in addition to his benefit set forth under Article IV of this Plan) at the times set forth in Article IV of this Plan. Notwithstanding the preceding sentence, if the Merged Plan Participant has satisfied all eligibility requirements contained in the Goody Salaried Plan necessary to entitle him to receive payment of his Merged Plan Benefit commencing at a date earlier than the date applicable under the terms of this Plan, such Participant shall be entitled, subject to the terms and conditions applicable under the Goody Salaried Plan, to have payment of his Merged Plan Benefit commence as follows:

(i) Except as otherwise provided in this Section 16.03, all Merged Plan Benefits shall commence on the Normal Retirement Date (as defined in the Goody Salaried Plan for purposes of this Section 16.03), Actual Retirement Date (as defined in the Goody Salaried Plan for purposes of this Section 16.03), death or elected Benefit Commencement Date (as defined in the Goody Salaried Plan for purposes of this Section 16.03), as the case may be, and continuing until the last monthly payment prior to the death of the payee. A Merged Plan Participant's right to his Merged Plan Benefit shall become nonforfeitable upon his attainment of his Normal Retirement Date.

(ii) A Merged Plan Participant may elect to Retire on the first day of any month coincident with or next following his attainment of age 55, provided he has then completed at least the aggregate of five (A) years of Credited Service

(as defined in the Goody Salaried Plan) prior to the Plan Merger Date, and (B) years of Vesting Service (as defined in Article II of this Plan) after the Plan Merger Date. A Merged Plan Participant who Retires early shall, upon filing of any applications prescribed by the Pension Administrative Committee therefor, be entitled to receive his Merged Plan Benefit determined in accordance with the provisions of subparagraph (iii) next below.

(iii) Each Merged Plan Participant who Retires early in accordance with subparagraph (ii) next above may elect to have his Merged Plan Benefit commence either (1) on his Early Retirement Date (as defined in the Goody Salaried Plan for purposes of this Section 16.03) or (2) on the first day of any month between his Early Retirement Date and his Normal Retirement Date. The annual amount of the Merged Plan Benefit payable to a Merged Plan Participant who Retires early shall be the Actuarial Equivalent of a Straight Life Annuity determined as follows:

(A) If the Merged Plan Participant elects to defer the commencement of his Merged Plan Benefit until his Normal Retirement Date, the amount thereof shall be equal to his Merged Plan Benefit.

(B) If the Merged Plan Participant elects to receive his Merged Plan Benefit prior to his Normal Retirement Date, the amount thereof shall be the amount of his Merged Plan Benefit, reduced by 1/2% for each month by which his elected Benefit Commencement Date precedes his Normal Retirement Date.

(c) A Merged Plan Participant who terminates employment with all Employers after he has completed an aggregate of at least five (A) years of Vesting Service (as defined in the Goody Salaried Plan) prior to the Plan Merger Date, and (B) years of Vesting Service (as defined in this Plan) after the Plan Merger Date, shall receive his Merged Plan Benefit as the Actuarial Equivalent of a Straight Life Annuity determined as follows:

(i) If the Merged Plan Participant did not have at least the aggregate of five (A) years of Credited Service (as defined in the Goody Salaried Plan) prior to the Plan Merger Date, and (B) years of Vesting Service (as defined in Article II of this Plan) after the Plan Merger Date, payment of his Merged Plan Benefit shall commence upon his Normal Retirement Date, or

(ii) If the Merged Plan Participant had at least the aggregate of five (A) years of Credited Service (as defined

in the Goody Salaried Plan) prior to the Plan Merger Date, and (B) years of Vesting Service (as defined in Article II of this Plan) after the Plan Merger Date, payment of his Merged Plan Benefit shall commence on the first day of the month coinciding with or next following his 55th birthday, or the first day of any month thereafter that he shall select between such date and his Normal Retirement Date, in an amount that is reduced by 1/2% for each month by which his elected Benefit Commencement Date precedes his Normal Retirement Date.

(d) A Merged Plan Participant who terminates employment with all Employers before he has completed an aggregate of at least five (A) years of Vesting Service (as defined in the Goody Salaried Plan) prior to the Plan Merger Date, and (B) years of Vesting Service (as defined in this Plan) after the Plan Merger Date, shall not be entitled to receive payment of his Merged Plan Benefit.

(e) If a Merged Plan Participant shall be deemed eligible for Disability Retirement under the terms and conditions of, and as defined under, Sections 5.04 a. and b. of the Goody Salaried Plan, and the Merged Plan Participant had at least the aggregate of five (A) years of Credited Service (as defined in the Goody Salaried Plan) prior to the Plan Merger Date, and (B) years of Vesting Service (as defined in Article II of this Plan) after the Plan Merger Date, such Merged Plan Participant shall be entitled to commence receipt (in accordance with the terms of this Plan) of his Merged Plan Benefit as follows:

(i) If the Merged Plan Participant became disabled and commenced receiving a disability benefit under the Goody Products, Inc. LTD Plan (the "LTD Plan") prior to the Plan Merger Date, his Merged Plan Benefit shall be payable on the Merged Plan Participant's Normal Retirement Date. Notwithstanding the immediately preceding sentence, if the Merged Plan Participant ceases receiving LTD Plan benefits prior to his Normal Retirement Date, he may elect to have his Merged Plan Benefit commence on the first day of any month between his Early Retirement Date and his Normal Retirement Date. Such Merged Plan Benefit shall be reduced as provided in subsection 16.03(b)(iii)(B).

(ii) If the Merged Plan Participant did not receive a disability benefit under the LTD Plan as set forth in subparagraph (i) next above, and the Social Security Administration (the "SSA") determined that he was disabled and fixed his disability commencement date, his Merged Plan Benefit shall be payable on his Normal Retirement Date. Notwithstanding the immediately preceding sentence, such Merged Plan Participant may elect to have his Merged Plan Benefit commence on the first day of any month between his Early Retirement Date and his Normal Retirement Date. Such

Merged Plan Benefit shall be reduced as provided in subsection 16.03(b)(iii)(B).

(iii) Within thirty (30) days after the request of the Pension Administrative Committee, which shall be no more frequently than once each year and not after his Normal Retirement Date, the disabled Merged Plan Participant shall submit to the Pension Administrative Committee satisfactory medical evidence of his continued disability.

(iv) Notwithstanding subparagraphs (i) and (ii) of this paragraph (e), if, prior to the Merged Plan Participant's Normal Retirement Date, the SSA or the LTD Carrier, whichever is applicable (or both, if applicable), revokes a prior determination of disability or declares that he is no longer disabled, he shall be deemed to have recovered on the last day of the month in which such revocation or declaration is effective, or if the Merged Plan Participant fails to comply with a request of the Pension Administrative Committee made pursuant to subparagraph (iii) next above, and does not submit satisfactory medical evidence of his continued disability, he shall be deemed to have recovered as of the last day of the month following that in which such request was made. The applicable day as of which he is so deemed to have recovered is herein referred to as his Date of Recovery. As of his Date of Recovery his disability retirement payments, if any, shall cease, and except as otherwise provided below in this Section 16.03, there shall be no further accrual of Credited Service beyond such date.

(A) If such recovered Merged Plan Participant is returned to service as a Participant within 30 days after his Date of Recovery, he shall at that time be reinstated as a Merged Plan Participant under the Goody Salaried Plan.

(B) If such recovered Merged Plan Participant is not returned to service as a Participant within 30 days after his Date of Recovery, he shall, at such time, be entitled to receive his Merged Plan Benefit as an early retirement pension pursuant to subparagraph (b)(iii) of this Section 16.03 or as a deferred pension pursuant to paragraph (c) of this Section 16.03, if he satisfies the conditions for such benefits.

(v) If the Merged Plan Participant should die while deemed disabled under this subsection 16.03(e), his Spouse (as defined in subsection 16.03(f)(iii)), if any, shall be entitled to receive his Merged Plan Benefit as an immediate or deferred survivor pension benefit pursuant to

subsection 16.03(f) below, provided the eligibility conditions of that Section are met at that time. If the Merged Plan Participant is receiving his Merged Plan Benefit under the provisions of subsections 16.03(b)(i), 16.03(b)(ii) or 16.03(c) at the time of his death, survivor benefits are payable if the Merged Plan Participant so elected.

(f) If a Merged Plan Participant dies before payment of his Merged Plan Benefit commences, and after completion of the aggregate of five (A) years of Vesting Service (as defined in the Goody Salaried Plan) prior to the Plan Merger Date, and (B) years of Vesting Service (as defined in this Plan) after the Plan Merger Date, his Spouse (as defined in subparagraph (iii) of this paragraph (f)) shall be entitled to commence receipt (in accordance with the terms of this Plan) of his Merged Plan Benefit as follows:

(i) The annual amount of the Merged Plan Benefit payable as a Straight Life Annuity to a Spouse of a deceased Merged Plan Participant who has both attained age 55 and completed at least the aggregate of 10 (A) years of Vesting Service (as defined in the Goody Salaried Plan) prior to the Plan Merger Date, and (B) years of Vesting Service (as defined in Article II of this Plan) after the Plan Merger Date, provided such death occurred while actively employed by the Employer (or while in receipt of a benefit under the LTD Plan), shall be 50% of the Merged Plan Benefit and shall commence on the first day of the month following such death.

(ii) The Merged Plan Benefit payable to the Spouse of a deceased Merged Plan Participant not described in subparagraph (i) next above who has completed at least the aggregate of five (A) years of Vesting Service (as defined in the Goody Salaried Plan) prior to the Plan Merger Date, and (B) years of Vesting Service (as defined in Article II of this Plan) after the Plan Merger Date, and who dies while actively employed by the Employer, or of a deceased former Merged Plan Participant who dies before commencement of payment of his Merged Plan Benefit, shall commence on the first day of the month following the later of the date of death of the Merged Plan Participant or former Merged Plan Participant or the date he would have attained age 55; provided the Spouse may elect any later benefit commencement date not beyond the date the deceased Merged Plan Participant would have attained his Normal Retirement Date. The annual amount of Merged Plan Benefit payable as a Straight Life Annuity pursuant to this subparagraph (ii) shall be reduced in accordance with subsection 16.03(b)(iii) if the Benefit Commencement Date is before the deceased Merged Plan Participant would have attained age 65, and further reduced on the presumption that he had elected a Qualified Joint and Survivor Annuity.

(iii) For purposes of paragraph (e) above, this paragraph (f) and paragraph (g) below, Spouse means, in the case of a Merged Plan Participant who dies while employed by the Employer, the surviving husband or wife of such deceased Merged Plan Participant who at the date of death of the Merged Plan Participant had been legally married to such Merged Plan Participant. In the case of a terminated Merged Plan Participant who subsequently dies, Spouse shall mean the surviving husband or wife of such terminated, deceased Merged Plan Participant who at the Merged Plan Participant's benefit commencement date had been legally married to such terminated, deceased Merged Plan Participant.

(g) A Merged Plan Participant may elect, pursuant to the spousal consent provisions of Section 5.01 of this Plan, any one of the optional forms of benefits specified in this paragraph (g) with respect to his Merged Plan Benefit. Any optional form of benefit set forth in Article V of this Plan shall apply only to the Accrued Benefit earned by the Merged Plan Participant from and after the Benefit Accrual Date. Any optional form of benefit or combination of optional forms of benefits set forth in this paragraph (g) shall be the Actuarial Equivalent of the Merged Plan Benefit otherwise payable with respect to the Merged Plan Participant.

(i) A LIFE ANNUITY: A benefit payable monthly, from the date on which a Merged Plan Benefit first became payable to a Merged Plan Participant, continuing for the lifetime of the Merged Plan Participant.

(ii) JOINT AND SURVIVOR OPTION: A reduced monthly benefit payable for life to the Merged Plan Participant, with 100% or 50% of such reduced benefit, as he shall have specified when electing this option, continuing after the Merged Plan Participant's death for the remaining lifetime of his Beneficiary;

(iii) ANNUITY CERTAIN OPTION: A retirement benefit payable, in equal monthly installments, from the applicable Benefit Commencement Date for the life of the Merged Plan Participant and, in the event that he shall fail to live for five full years or 10 full years from said date, as he shall have specified when electing this option, a benefit payable to his Beneficiary, in equal monthly installments in the amount of such installments paid to the Merged Plan Participant, from the first day of the month following the month in which such Merged Plan Participant shall die, for the balance of the guaranteed payment period; provided, however, that if such Beneficiary shall not be alive at the death of the Merged Plan Participant or shall fail to live for the remainder of the guaranteed payment period, the Actuarial Equivalent of the payment for the remainder of such period shall be paid in a cash lump-sum to the estate

of the Merged Plan Participant or the estate of the Beneficiary, as the case may be.

(iv) The election of any optional form of benefit shall become effective upon the earlier of the Merged Plan Participant's Normal Retirement Date or Actual Retirement Date. A Merged Plan Participant may revoke or change such election at any time prior to commencement of his Merged Plan Benefit, except that an election of any form of Merged Plan Benefit other than either the Life Annuity option (i) above or, with respect to a Retired Covered Employee (as defined in the Goody Salaried Plan for purposes of this Section 16.03), who has a Spouse, the Qualified Joint and Survivor Annuity, must be made at least 30 days prior to his Actual Retirement Date, unless the Merged Plan Participant furnishes evidence of good health that is satisfactory to the Pension Administrative Committee, and during this period such revocation or change will be subject to the consent of the Pension Administrative Committee. Death of a Merged Plan Participant's Beneficiary prior to his Actual Retirement Date shall automatically revoke the election of a Joint and Survivor Option.

16.04 SPECIAL PROVISIONS RELATING TO STUART HALL RETIREMENT PLAN.

The following shall apply with respect to Merged Plan Participants who participated in the Stuart Hall Retirement Plan on or before the Plan Merger Date:

(a) Benefit Accruals under the Stuart Hall Retirement Plan were permanently discontinued effective as of the Benefit Accrual Date. As of the Benefit Accrual Date, Active Participants (as defined in the Stuart Hall Retirement Plan for purposes of this Section 16.04) became eligible to participate in this Plan in accordance with the terms of this Plan. For purposes of determining the Accrued Benefit earned from and after the Benefit Accrual Date of Merged Plan Participants who were Active Participants under the Stuart Hall Retirement Plan on the Benefit Accrual Date, and who thereafter are employed by an Employer, such Merged Plan Participants shall receive credit for periods of employment with all Employers from and after the Benefit Accrual Date and not for periods of employment with any Employer or any other entity, prior to the Benefit Accrual Date. For purposes of determining such Merged Plan Participants' Vesting Service, nonforfeitable interest in their Merged Plan Benefits and Accrued Benefits, and their eligibility to participate in this Plan, such Merged Plan Participants shall receive credit (1) for periods of employment with an Affiliated Company (as defined in Article II of this Plan) from and after the Benefit Accrual Date and (2) for periods of employment only with Stuart Hall Company, Inc. and its affiliates, and not with any other entity that was not an Affiliated Company of Stuart Hall Company, Inc., prior to the Benefit Accrual Date.

(b) A Merged Plan Benefit shall be payable to a Merged Plan Participant (in addition to his benefit set forth under Article IV of this Plan) at the times set forth in Article IV of this Plan. Notwithstanding the preceding sentence, if the Merged Plan Participant has satisfied all eligibility requirements contained in the Stuart Hall Retirement Plan necessary to entitle him to receive payment of his Merged Plan Benefit commencing at a date earlier than the date applicable under the terms of this Plan, such Participant shall be entitled, subject to the terms and conditions applicable under the Stuart Hall Retirement Plan, to have payment of his Merged Plan Benefit commence as follows:

(i) Unless otherwise elected, payment of a Merged Plan Benefit shall begin on the Merged Plan Participant's Normal Retirement Date (as defined in the Stuart Hall Retirement Plan for purposes of this Section 16.04) if he ceased to be an Employee on such date. Even if the Merged Plan Participant is an Employee on his Normal Retirement Date, he may elect to have his Merged Plan Benefit commence on his Normal Retirement Date. A Merged Plan Participant's right to his Merged Plan Benefit shall become nonforfeitable upon his attainment of his Normal Retirement Age (as defined in the Stuart Hall Retirement Plan for purposes of this Section 16.04).

(ii) If a Merged Plan Participant elects to receive his Merged Plan Benefit on an Early Retirement Date (as defined below), he shall receive his Merged Plan Benefit on such specified Date, multiplied by the factor shown below corresponding to the number of years his Early Retirement Date precedes his Normal Retirement Date.

NUMBER OF YEARS EARLY RETIREMENT DATE PRECEDES NORMAL RETIREMENT DATE	FACTOR
1	.9333
2	.8667
3	.8000

The above factors shall be prorated for a partial year (counting a partial month as a complete month).

For purposes of this Section 16.04, "Early Retirement Date" means the first day of any month before a Merged Plan Participant's Normal Retirement Date that the Merged Plan Participant selects for the start of his Merged Plan Benefit. This day shall be on or after the date on which he ceases to be an Employee and the date he meets the following requirements:

(A) He has attained age 62.

(B) He has completed at least the aggregate of 15 (i) years of Vesting Service as defined in the Stuart Hall Retirement Plan) prior to the Plan Merger Date, and (ii) years of Vesting Service (as defined in Article II of this Plan) after the Plan Merger Date.

(c) The following provisions shall apply if a Merged Plan Participant elects to commence receipt of his Merged Plan Benefit after his Normal Retirement Date.

(i) Notwithstanding any provision of this Section 16.04 to the contrary, a Merged Plan Participant may elect to commence receipt of his Merged Plan Benefit on a Late Retirement Date (as defined in the Stuart Hall Retirement Plan for purposes of this Section 16.04). If a Merged Plan Participant receives his Merged Plan Benefit on a Late Retirement Date, his Merged Plan Benefit shall be equal to his Merged Plan Benefit, multiplied by the factor shown below corresponding to the number of years his Late Retirement Date follows his Normal Retirement Date.

NUMBER OF YEARS LATE RETIREMENT DATE FOLLOWS NORMAL RETIREMENT DATE	FACTOR
1	1.0600
2	1.1200
3	1.1900
4	1.2600
5	1.3400
6	1.4200
7	1.5000
8	1.5900
9	1.6900
10	1.7900

The above factors shall be prorated for a partial year (counting a partial month as a complete month). Factors for numbers of years beyond ten shall be determined using a consistently applied reasonable actuarial equivalent method.

(ii) Notwithstanding any provision of this Section 16.04 to the contrary, a Merged Plan Participant may elect to have payment of his Merged Plan Benefit begin on his Late Retirement Date, subject to the provisions of subsection 4.05(c) of the Plan.

(d) A Merged Plan Participant who becomes an Inactive Participant (as defined in the Stuart Hall Retirement Plan for purposes of this Section 16.04) before he Retires or dies shall be entitled to receive his Merged Plan Benefit as follows and at his election:

(i) A monthly Merged Plan Benefit in the Normal Form (as defined in the Stuart Hall Retirement Plan for purposes of this Section 16.04) to begin on his Normal Retirement Date. Such monthly Merged Plan Benefit will be equal to the product of (A) and (B):

(A) The Merged Plan Participant's Merged Plan Benefit on the day before he became an Inactive Participant.

(B) The Merged Plan Participant's Vesting Percentage (as defined below) on the date he ceases to be an Employee.

(ii) A monthly Merged Plan Benefit in the Normal Form to begin on his Early Retirement Date (as defined in subsection 16.04(b)(ii)). Such monthly Merged Plan Benefit shall be equal to the amount determined under subparagraph (i)(A) next above multiplied by the applicable early retirement factor as specified in paragraph (b) of this Section 16.04.

(iii) A monthly Merged Plan Benefit in the Normal Form to begin on his Late Retirement Date. Such monthly Merged Plan Benefit shall be an amount equal to the amount determined under subparagraph (i)(A) above multiplied by the applicable late retirement factor in paragraph (c) of this Section 16.04.

(iv) For purposes of this Section 16.04, "Vesting Percentage" means the percentage used to determine that portion of a Merged Plan Participant's Merged Plan Benefit that is nonforfeitable (cannot be lost since it is vested).

A Merged Plan Participant's Vesting Percentage is shown in the following schedule opposite the number of aggregate whole years of his Vesting Service (as defined in the Stuart Hall Retirement Plan and Article II of this Plan).

VESTING SERVICE (aggregate whole years)	VESTING PERCENTAGE
Less than 3	0
3	20
4	40
5	60
6	80
7 or more	100

The Vesting Percentage for a Merged Plan Participant who is an Employee on or after the earlier of (A) the date he reaches his Normal Retirement Age (as defined in the Stuart Hall Retirement Plan for purposes of this Section 16.04), or (B) the date he meets the requirement(s) for an Early Retirement Date (as defined in the Stuart Hall Retirement Plan for purposes of this Section 16.04), shall be 100% vested on such date.

(e) If a Merged Plan Participant dies before payment of his Merged Plan Benefit commences, his spouse, Beneficiary (as defined in the Stuart Hall Retirement Plan for purposes of this Section 16.04), or Contingent Annuitant (as defined in the Stuart Hall Retirement Plan for purposes of this Section 16.04) shall be entitled to commence receipt (in accordance with the terms of this Plan) of the product of his Merged Plan Benefit and his Vesting Percentage as of the date of death as follows:

(i) Qualified Preretirement Survivor Annuity:

A Qualified Preretirement Survivor Annuity shall be payable if the Merged Plan Participant is survived by a spouse to whom he was continuously married throughout the one-year period ending on the date he dies.

If the requirement above is met on the date the Merged Plan Participant dies, the Merged Plan Benefit shall be payable to the spouse as a Qualified Preretirement Survivor Annuity (as defined in the Stuart Hall Retirement Plan for purposes of this Section 16.04). The spouse may elect to start payment of the Merged Plan Benefit on the first day of the month on or after the earliest date the Merged Plan Benefit could have been paid to the Merged Plan Participant if he had ceased to be an Employee on the date of his death and survived to Retire. Payment of the Merged Plan Benefit must start by the date the Merged Plan Participant would have been age 70-1/2. The Qualified Preretirement Survivor Annuity shall be reduced in accordance with subsection 16.04(b)(ii) if payments commence before the deceased Merged Plan Participant would have attained age 65. If the spouse

dies before the Qualified Preretirement Survivor Annuity starts, no Merged Plan death benefit is payable.

(ii) If a Merged Plan Participant dies on or after his Normal Retirement Date (as defined in the Stuart Hall Retirement Plan for purposes of this Section 16.04) and before his Annuity Starting Date (as defined in the Stuart Hall Retirement Plan for purposes of this Section 16.04), and such Merged Plan Participant is survived by a spouse to whom he was continuously married through the one-year period ending on the date of his death, the Merged Plan Benefit shall be payable in the same manner as provided under subparagraph (i) next above, unless the Merged Plan Participant has waived the Qualified Preretirement Survivor Annuity, according to the Election Procedures Section of Article VI of the Stuart Hall Retirement Plan, by electing the preservation of retirement options death benefit described in subparagraph (iii) next below.

(iii) If a Merged Plan Participant dies on or after his Normal Retirement Date and before his Annuity Starting Date and such Merged Plan Participant is not survived by a spouse to whom he was continuously married throughout the one-year period ending on the date of his death, the provisions of subparagraph (i) of this paragraph (e) shall not apply. Instead, the Merged Plan Benefit shall be payable pursuant to the preservation of retirement options death benefit. This death benefit is the death benefit that would have been payable to the Merged Plan Participant's Beneficiary or Contingent Annuitant if the Merged Plan Participant's Retirement Date had occurred on the date he died. The optional form of distribution elected according to the provisions of the Election Procedures Section of Article VI of the Stuart Hall Retirement Plan before the Participant's death is the form in effect for determining the death benefit. For purposes of this death benefit only, an election of an optional form of distribution shall be a qualified election even if it is not made within 90 days of the date payments would have begun if it meets all of the other requirements for a qualified election. The automatic form of distribution under the Automatic Forms of Distribution Section of Article VI of the Stuart Hall Retirement Plan shall be in effect if an election has not been made or an election is revoked without a subsequent election according to the provisions of the Election Procedures Section of Article VI of the Stuart Hall Retirement Plan. Any death benefit payable shall be subject to the distribution limitations of the Optional Forms of Distribution and Distribution Requirements Section of Article VI of the Stuart Hall Retirement Plan.

(iv) Any death benefit after the Annuity Starting Date will be determined by the form of Merged Plan Benefit in effect on a Merged Plan Participant's Annuity Starting Date.

(f) A Merged Plan Participant may elect, pursuant to the spousal consent provisions of Section 5.01 of this Plan, any one of the optional forms of benefits specified in this paragraph (f) with respect to his Merged Plan Benefit. Any optional form of benefit set forth in Article V of this Plan shall apply only to the Accrued Benefit earned by the Merged Plan Participant from and after the Benefit Accrual Date. Any optional form of benefit or combination of optional forms of benefits set forth in this paragraph (f) shall be the Actuarial Equivalent of the Merged Plan Benefit otherwise payable with respect to the Merged Plan Participant. The optional forms of Merged Plan Benefit shall be the following: a straight life annuity, single life annuities with certain periods of five, ten or fifteen years, and survivorship life annuities with survivorship percentages of 50, 66 or 100.

16.05 SPECIAL PROVISIONS RELATING TO FABER-CASTELL SALARIED PLAN. The following shall apply with respect to Merged Plan Participants who participated in the Faber-Castell Salaried Plan on or before the Plan Merger Date:

(a) Benefit Accruals under the Faber-Castell Salaried Plan were permanently discontinued effective as of the Benefit Accrual Date. As of the Benefit Accrual Date, Salaried Employees (as defined in the Faber-Castell Salaried Plan for purposes of this Section 16.05) became eligible to participate in this Plan in accordance with the terms of this Plan. For purposes of determining the Accrued Benefit earned from and after the Benefit Accrual Date of Merged Plan Participants who were Salaried Employees under the Faber-Castell Salaried Plan on the Benefit Accrual Date, and who thereafter are employed by an Employer, such Merged Plan Participants shall receive credit for periods of employment with all Employers from and after the Benefit Accrual Date and not for periods of employment with any Employer or any other entity, prior to the Benefit Accrual Date. For purposes of determining such Merged Plan Participants' Vesting Service, nonforfeitable interest in their Merged Plan Benefits and Accrued Benefits, and their eligibility to participate in this Plan, such Merged Plan Participants shall receive credit (1) for periods of employment with an Affiliated Company (as defined in Article II of this Plan) from and after the Benefit Accrual Date and (2) for periods of employment only with Faber-Castell Corporation and its affiliates, and not with any other entity that was not an Affiliated Company of Faber-Castell Corporation, prior to the Benefit Accrual Date.

(b) A Merged Plan Benefit shall be payable to a Merged Plan Participant (in addition to his benefit set forth under Article IV of this Plan) at the times set forth in Article IV of this Plan. Notwithstanding the preceding sentence, if the Merged Plan Participant has satisfied all eligibility requirements contained in the Faber-

Castell Salaried Plan necessary to entitle him to receive payment of his Merged Plan Benefit commencing at a date earlier than the date applicable under the terms of this Plan, such Participant shall be entitled, subject to the terms and conditions applicable under the Faber-Castell Salaried Plan, to have payment of his Merged Plan Benefit commence as follows:

(i) If a Merged Plan Participant Retires on his Normal Retirement Date (as defined in the Faber-Castell Salaried Plan for purposes of this Section 16.05), his Merged Plan Benefit shall commence on his Normal Retirement Date. A Merged Plan Participant's right to his Merged Plan Benefit shall become nonforfeitable upon his attainment of his Normal Retirement Date.

(ii) Any Merged Plan Participant may, upon filing a written application with the Pension Administrative Committee, be Retired at an earlier date than his Normal Retirement Date provided he has both attained age 55 and completed at least the aggregate of 10 (A) years as an Employee (as defined in the Faber-Castell Salaried Plan) prior to the Plan Merger Date, and (B) years of Vesting Service (as defined in Article II of this Plan) after the Plan Merger Date.

(iii) Any Merged Plan Participant who has completed at least the aggregate of 10 (A) years as an Employee (as defined in the Faber-Castell Salaried Plan) prior to the Plan Merger Date, and (B) years of Vesting Service (as defined in Article II of this Plan) after the Plan Merger Date, and who shall be totally and permanently disabled so that he is eligible for and is receiving Social Security disability benefits, shall be entitled to payment of his Merged Plan Benefit pursuant to subparagraph (iv) next below.

(iv) A Merged Plan Participant who Retires before his Normal Retirement Date pursuant to either subparagraph (ii) or (iii) of this paragraph (b) shall receive payment of his Merged Plan Benefit in the Full Annuity Form (as defined in paragraph (e) of this Section 16.05) commencing on his Normal Retirement Date. In lieu thereof, any such Merged Plan Participant, at any time between ages 55 and 65 may elect to receive his Merged Plan Benefit reduced by 0.7% times the number of monthly payments up to 24 to be paid prior to his 64th birthday, by 0.4% times the number of monthly payments up to 24 to be paid prior to his 62nd birthday and by 0.35% times the number of monthly payments to be paid prior to his 60th birthday, and which shall commence on the first day of any month (to be selected by him) between such election and the Normal Retirement Date.

(c) If a Merged Plan Participant ceases his Service (as defined in the Faber Castell Salaried Plan for purposes of this Section 16.05) other than because of death, but before being eligible to receive his Merged Plan Benefit as provided in paragraph (b) next above, he shall be entitled to payment of his Merged Plan Benefit as follows:

(i) If a Merged Plan Participant ceases his Service (as defined in the Faber-Castell Salaried Plan for purposes of this Section 16.05) other than because of death after he has a Vested Right (as defined below), but before being eligible to receive his Merged Plan Benefit as provided in paragraph (b) next above, he shall be entitled to payment of his Merged Plan Benefit in the Full Annuity Form to commence on his Normal Retirement Date. Notwithstanding the immediately preceding sentence, such Merged Plan Participant may elect to receive reduced Merged Plan Benefit payments to commence on the first day of any month between his 55th birthday and his Normal Retirement Date. Such Merged Plan Benefit shall be reduced for early commencement by 0.7% times the number of monthly payments up to 36 to be paid prior to his 65th birthday, by 0.5% times the number of monthly payments up to 36 to be paid prior to his 62nd birthday and by 0.3% times the number of monthly payments to be paid prior to his 59th birthday.

(ii) Notwithstanding anything in this Section 16.05 to the contrary, if a Merged Plan Participant ceases his Service before he has a Vested Right (as defined below), and does not again become an Employee, he shall not be entitled to receive payment of his Merged Plan Benefit.

(iii) For purposes of this Section 16.05, "Vested Right" means the nonforfeitable right to a Merged Plan Benefit acquired by a Merged Plan Participant either upon attaining age 65 while in employment of an Employer or having the aggregate of at least five (A) years of Service (as defined in the Faber-Castell Salaried Plan), excluding service with Reliance Pen and Pencil Company prior to September 1, 1985, and (B) years of Vesting Service as defined in this Plan.

(d) If a Merged Plan Participant dies before payment of his Merged Plan Benefit commences and such Merged Plan Participant has a Vested Right (as defined in subsection 16.05(c)(iii)) in his Merged Plan Benefit at his death, his Spouse (as defined in subparagraph (iv) of this paragraph) shall be entitled to commence receipt (in accordance with the terms of this Plan) of his Merged Plan Benefit as follows:

(i) If a Merged Plan Participant who is not receiving Merged Plan Benefit payments shall die before he has

attained age 55, and regardless of whether or not he is an Employee, a survivor's death benefit shall be paid to his Spouse, if living, for her lifetime. The survivor's death benefit will commence on the first day of the month following the Merged Plan Participant's 55th birthday equal to one-half of the portion of the Merged Plan Benefit to which the Merged Plan Participant would have been entitled at the earlier of his date of death or separation of service if he had:

(A) separated from service on his date of death (if he had not already done so),

(B) survived until age 55, and

(C) elected to have his Merged Plan Benefit commence at that time under Option 2, as described in paragraph (e) of this Section 16.05, with his Spouse designated as the Contingent Annuitant (as defined in the Faber-Castell Salaried Plan for purposes of this Section 16.05).

(ii) If a Merged Plan Participant dies before his Merged Plan Benefit commences and after his Normal Retirement Date, or having both attained age 55 and completed at least the aggregate of five (A) years as an Employee (as defined in the Faber-Castell Salaried Plan) prior to the Plan Merger Date, and (B) years of Vesting Service (as defined in Article II of this Plan) after the Plan Merger Date, his Spouse, or his Beneficiary (as defined in the Faber-Castell Salaried Plan for purposes of this Section 16.05) if there is no Spouse, shall receive his Merged Plan Benefit. Payment of his Merged Plan Benefit will commence on the first day of the month coinciding with or next following the date of death of the Merged Plan Participant and continue for 120 months, equal to the Merged Plan Benefit the Merged Plan Participant would have received if he had Retired on his date of death and elected to have his Merged Plan Benefit commence immediately under the Full Annuity Form. If the payee is the Spouse, the Spouse may elect to convert such Merged Plan Benefit payable hereunder to a benefit of equivalent value that shall be paid for the life of the Spouse, and such converted Merged Plan Benefit (or the Actuarial Equivalent value thereof if paid on the 120 monthly payment term) shall be not less than what would have been paid if the Merged Plan Participant had elected Option 2 as described in paragraph (e) of this Section 16.05 and designated the Spouse as Contingent Annuitant. Merged Plan Benefits payable under this subsection 16.05(d)(ii) shall be reduced in accordance with subsection 16.05(b)(iv)

if payments commence before the deceased Merged Plan Participant would have attained age 64.

(iii) If a Merged Plan Participant dies while he is receiving his Merged Plan Benefit on the Full Annuity Form and before he has received 120 monthly payments, his Beneficiary shall receive the payment of his Merged Plan Benefit for the balance of such 120 month period.

(iv) For purposes of this Section 16.05, Spouse means the person lawfully married to a Participant on the earlier of the date of the Merged Plan Participant's death or the date Merged Plan Benefit payments commence.

(e) A Merged Plan Participant may elect, pursuant to the spousal consent provisions of Section 5.01 of this Plan, any one of the optional forms of benefits specified in this paragraph (e) with respect to his Merged Plan Benefit. Any optional form of benefit set forth in Article V of this Plan shall apply only to the Accrued Benefit earned by the Merged Plan Participant from and after the Benefit Accrual Date. Any optional form of benefit or combination of optional forms of benefits set forth in this paragraph (e) shall be the Actuarial Equivalent of the Merged Plan Benefit otherwise payable with respect to the Merged Plan Participant.

(i) A Participant may elect to receive his Merged Plan Benefit payments in the Full Annuity Form. "Full Annuity Form" means a manner of paying his Merged Plan Benefit whereby payments are made during the lifetime of the Merged Plan Participant and cease upon his death, except if he dies before receiving payments for 120 months, such Merged Plan Benefit shall be paid to his Beneficiary for the balance of the 120 months' period.

(ii) Notwithstanding the provisions of subparagraph (i) next above, if a Merged Plan Participant has a Spouse on the date Retirement Income payments are to commence, and if such Merged Plan Participant has not elected otherwise in writing filed with the Pension Administrative Committee during the period set forth in Section 5.01(d) of this Plan, the amount of Merged Plan Benefit payments on the Full Annuity Form shall be reduced automatically to a percentage thereof payable to the Merged Plan Participant for life and upon his death payable at the rate of one-half of such reduced amount to his Spouse for life after the Merged Plan Participant's death. Such percentage shall be 97% if the date of birth of the Spouse is less than 36 months different from the Merged Plan Participant's date of birth reduced (increased, but not to more than 99.9%) by 0.4% if the age of the Spouse is three full years younger (older) than the Merged Plan Participant's age and by an additional 0.4% for each additional full year of age difference that the Spouse is

younger (older) than the Merged Plan Participant. Any election by the Merged Plan Participant to waive such reduced joint and survivor payment basis shall not become effective unless the Spouse consents to such election pursuant to Section 5.01 of this Plan.

(iii) A Merged Plan Participant who elects not to receive his Merged Plan Benefit pursuant to the provisions of subparagraphs (i) and (ii) of this paragraph (e), may file a written election, subject to the spousal consent provisions of Section 5.01 of this Plan, with the Pension Administrative Committee electing to receive his Merged Plan Benefit in one of the following optional forms:

Option 1. Reduced payments payable during the Merged Plan Participant's life, with the provision that after his death such reduced payments shall continue during the life of and shall be paid to such person as he shall designate.

Option 2. Reduced payments payable during the Merged Plan Participant's life, with the provision that after his death payments at one-half the rate of his reduced payments shall continue during the life of and shall be paid to such person as he shall designate.

(iv) The person designated by the Participant under an option shall be known as a Contingent Annuitant. The election of an option shall be conditional upon the Participant's furnishing to the Pension Administrative Committee, within 90 days after filing such an election,

(A) the name and sex of the Contingent Annuitant, and

(B) proof satisfactory to the Pension Administrative Committee of the date of birth of the Contingent Annuitant.

(v) Election of an option under this paragraph (e) shall be subject to the following provisions:

(A) If a Merged Plan Participant dies before the effective date of the option, the option shall be canceled automatically.

(B) If the Contingent Annuitant designated under an option dies before the effective date of the option, the election of the option shall be canceled automatically and the Merged Plan Participant may thereafter make another

election, subject to the conditions required therefor.

(C) If the Contingent Annuitant designated under an option dies after the effective date of the option, the amount of the Merged Plan Benefit to which the Merged Plan Participant is entitled under the option will be paid in accordance with the option and will cease upon the Merged Plan Participant's death.

(vi) No change may be made in the election of an option unless the Merged Plan Participant, with respect to such change, meets the requirements and conditions for electing an option. Subject to the spousal consent provisions of Section 5.01 of this Plan, the consent of the Contingent Annuitant is not required in the event of any change in option or Contingent Annuitant.

(vii) The amount of the reduced Merged Plan Benefit payable under an elected option listed in subparagraph (iii) of this paragraph (e) shall be a percentage of the Full Annuity Form of Merged Plan Benefit, based on the ages of the Merged Plan Participant and the Contingent Annuitant. Such percentage shall be 87% for Option 1 if the date of birth of the Contingent Annuitant is less than 12 months different from the Merged Plan Participant's date of birth reduced (increased, but not to more than 99.9%) by 0.6% if the age of the Contingent Annuitant is one full year younger (older) than the Merged Plan Participant's age and by an additional 0.6% for each additional full year of age difference that the Contingent Annuitant is younger (older) than the Merged Plan Participant. Such percentage shall be 97% for Option 2 if the date of birth of the Contingent Annuitant is less than 36 months different from the Merged Plan Participant's date of birth reduced (increased, but not to more than 99.9%) by 0.4% if the age of the Contingent Annuitant is three full years younger (older) than the Merged Plan Participant's age and by an additional 0.4% for each additional full year of age difference that the Contingent Annuitant is younger (older) than the Merged Plan Participant.

(viii) Notwithstanding anything to the contrary in this paragraph (e), no distribution of benefits shall provide the following:

(A) a period certain extending beyond the life expectancy of a Beneficiary designated by the Merged Plan Participant, and

(B) a period certain exceeding five years, if benefits are payable to a Beneficiary not designated by the Merged Plan Participant, and

(C) any other violation of the provisions of Section 401(a)(9) of the Code.

(f) Except as provided in subsection 16.05(e)(ii), any Merged Plan Participant who elects to Retire after his Normal Retirement Date shall receive his Merged Plan Benefit in the Full Annuity Form equal to the Merged Plan Benefit, increased by 0.75% times the number of months between the Merged Plan Participant's Normal Retirement Date and the date on which such increased Merged Plan Benefit commences.

(g) Notwithstanding anything in this Section 16.05 to the contrary and subject to Section 401(a)(9) of the Code, if a Merged Plan Participant continues as an Employee after his Normal Retirement Date, his Merged Plan Benefit shall not begin until the first day of the month next following his Severance Date (as defined in the Faber-Castell Salaried Plan).

16.06 SPECIAL PROVISIONS RELATING TO BEROL PLAN.

The following shall apply with respect to Merged Plan Participants who participated in the Berol Plan on or before the Plan Merger Date:

(a) Benefit Accruals under the Berol Plan were permanently discontinued effective as of the Benefit Accrual Date. As of the Benefit Accrual Date, Members (as defined in the Berol Plan for purposes of this Section 16.06) compensated on a salaried basis and Members compensated on an hourly basis who were not factory hourly employees ("Salaried Members") became eligible to participate in this Plan in accordance with the terms of this Plan, and Members compensated on an hourly basis who were factory hourly employees ("Hourly Members") became eligible to participate in the Newell Pension Plan for Factory and Distribution Hourly Paid Employees ("Hourly Plan") in accordance with the terms of the Hourly Plan. For purposes of determining the Accrued Benefit earned from and after the Benefit Accrual Date of Merged Plan Participants who were Salaried Members under the Berol Plan on the Benefit Accrual Date, and who thereafter are employed by an Employer, such Merged Plan Participants shall receive credit for periods of employment with all Employers from and after the Benefit Accrual Date and not for periods of employment with any Employer or any other entity, prior to the Benefit Accrual Date. For purposes of determining such Merged Plan Participants' Vesting Service, nonforfeitable interest in their Merged Plan Benefits and Accrued Benefits, and their eligibility to participate in this Plan, such Merged Plan Participants shall receive credit (1) for periods of employment with an Affiliated Company (as defined in

Article II of this Plan) from and after the Benefit Accrual Date and (2) for periods of employment only with Empire Berol Corporation or its predecessor entities, and its affiliates, and not with any other entity that was not an Affiliated Company of Empire Berol Corporation or its predecessor entities prior to the Benefit Accrual Date. Effective January 1, 1997, the Merged Plan Benefits of all Hourly Members will be transferred to and assumed by the Hourly Plan. Accordingly, the provisions of this Section 16.06 shall only apply to the Merged Plan Benefits of Salaried Members, or of Hourly Members whose employment with all Employers terminated from and after the Plan Merger Date and prior to January 1, 1997.

(b) A Merged Plan Benefit shall be payable to a Merged Plan Participant (in addition to his benefit set forth under Article IV of this Plan) at the times set forth in Article IV of this Plan. Notwithstanding the preceding sentence, if the Merged Plan Participant has satisfied all eligibility requirements contained in the Berol Plan necessary to entitle him to receive payment of his Merged Plan Benefit commencing at a date earlier than the date applicable under the terms of this Plan, such Participant shall be entitled, subject to the terms and conditions applicable under the Berol Plan, to have payment of his Merged Plan Benefit commence as follows:

(i) A Merged Plan Participant shall be entitled to receive payment of his Merged Plan Benefit beginning on his Normal Retirement Date (as defined in the Berol Plan for purposes of this Section 16.06).

(ii) A Merged Plan Participant may Retire at any time after reaching his Early Retirement Date. "Early Retirement Date" shall mean the first day of the month next succeeding the date on which a Merged Plan Participant both attains age fifty-five (55), and completes at least the aggregate of 10 (A) Years of Service (as defined in the Berol Plan) prior to the Plan Merger Date, and (B) years of Vesting Service (as defined in Article II of this Plan) after the Plan Merger Date.

(iii) If a Merged Plan Participant Retires on or after his Early Retirement Date, he may elect to receive his Merged Plan Benefit beginning at his Normal Retirement Date or as a reduced benefit beginning at his Early Retirement Date, which shall be his Merged Plan Benefit reduced by one-half percent (1/2%) for each month by which his Early Retirement Date precedes his Normal Retirement Date. A Merged Plan Participant's Merged Plan Benefit shall not be reduced if his Early Retirement Date occurs on or after attaining age 62. In addition, for such a Merged Plan Participant, the factors for age 65 in Exhibit A of the Berol Plan shall be applied to determine the amounts of benefits payable in optional forms in accordance with subsection 16.06(f).

If a Merged Plan Participant satisfied any service requirement for an early retirement benefit under the Berol Plan, but had a Break-in-Service (as defined in the Berol Plan for purposes of this Section 16.06) with a nonforfeitable Merged Plan Benefit before satisfying the age requirement for such early retirement benefit, then such Merged Plan Participant shall be entitled, upon the satisfaction of such early retirement benefit age requirement, to receive at that time a Merged Plan Benefit not less than that to which he would have been entitled at the time he satisfied the service requirement had his Early Retirement Date occurred at that time.

(c) If a Merged Plan Participant's Retirement is deferred beyond his Normal Retirement Date, he shall upon actual Retirement receive a benefit equal to the Actuarial Equivalent of his Merged Plan Benefit.

(d) If a Merged Plan Participant Separates from Service (as defined in the Berol Plan for purposes of this Section 16.06), he shall thereupon become an Inactive Member (as defined in the Berol Plan for purposes of this Section 16.06), and his interest and rights in this Merged Plan Benefit shall be limited to those provided in this paragraph (d) as follows:

(i) NONFORFEITABLE INTEREST. If a Merged Plan Participant who accumulates at least one Hour of Service (as defined in the Berol Plan for purposes of this Section 16.06) on or after October 1, 1989 separates from service prior to his Normal Retirement Date after completion of at least the aggregate of five (A) Years of Service (as defined in the Berol Plan) prior to the Plan Merger Date, and (B) years of Vesting Service (as defined in this Plan) after the Plan Merger Date, his Merged Plan Benefit at that time shall be nonforfeitable; prior thereto, it shall be forfeitable. In all events a Merged Plan Participant's Merged Plan Benefit shall be nonforfeitable at his Normal Retirement Date, his Early Retirement Date or his Postponed Retirement Date (as defined in the Berol Plan for purposes of this Section 16.06). If a Merged Plan Participant separates from service with a forfeitable interest in his entire Merged Plan Benefit, such Merged Plan Participant shall not be entitled to receive payment of his Merged Plan Benefit.

(ii) PAYMENT IN THE EVENT OF SEPARATION FROM SERVICE. If a Merged Plan Participant separates from service after completion of at least the aggregate of five (A) Years of Service (as defined in the Berol Plan) prior to the Plan Merger Date, and (B) Years of Vesting Service (as defined in this Plan) after the Plan Merger Date, his Merged Plan

Benefit shall be paid to him at his Normal Retirement Date, except as otherwise provided in subsection 16.06(b)(iii).

(e) If a Married Merged Plan Participant (as defined below) dies before his Annuity Starting Date (as defined in the Berol Plan for purposes of this Section 16.06) and such Merged Plan Participant has a nonforfeitable interest in his Merged Plan Benefit, his Surviving Spouse (as defined below) shall be entitled to commence receipt (in accordance with the terms of this Plan) of his Merged Plan Benefit as follows:

(i) DEATH BENEFIT. If a Married Merged Plan Participant who has a nonforfeitable interest in his Merged Plan Benefit dies prior to Retirement, his Surviving Spouse will be entitled to a Qualified Preretirement Survivor Annuity. No other pre-retirement death benefits are provided under this Section 16.06.

(ii) QUALIFIED PRERETIREMENT SURVIVOR ANNUITY SHALL MEAN A SURVIVOR ANNUITY (AS DEFINED IN THE BEROL PLAN FOR PURPOSES OF THIS SECTION 16.06) for the life of the Surviving Spouse of a Married Merged Plan Participant as follows:

(A) The payments to the Surviving Spouse under such annuity shall be equal to the amounts which would be payable under the Joint and Survivor Annuity provided for under this Section 16.06 (or the Actuarial Equivalent thereof) as if:

(1) in the case of a Married Merged Plan Participant who dies after the date on which the Merged Plan Participant attained the Earliest Retirement Age (as defined in the Berol Plan for purposes of this Section 16.06), such Merged Plan Participant had Retired with an immediate Joint and Survivor Annuity (as defined in the Berol Plan for purposes of this Section 16.06) on the day before the Merged Plan Participant's date of death, or

(2) in the case of a Married Merged Plan Participant who dies on or before the date on which the Merged Plan Participant would have attained the Earliest Retirement Age, such Merged Plan Participant had:

(I) Separated from Service on the date of death,

(II) survived to the Earliest Retirement Age,

(III) Retired with an immediate Joint and Survivor Annuity at the Earliest Retirement Age, and

(IV) died on the day after the day on which such Merged Plan Participant would have attained the Earliest Retirement Age.

(B) The earliest period for which the Surviving Spouse may receive a payment under such annuity shall not be later than the month in which the Merged Plan Participant would have attained the Earliest Retirement Age. If payments commence before the Merged Plan Participant would have attained his Normal Retirement Date, the Qualified Preretirement Survivor Annuity shall be reduced by one-half percent (1/2%) for each month by which such payment commencement date precedes the date that he would have attained his Normal Retirement Date. However, the Qualified Preretirement Survivor Annuity shall not be reduced if payments commence on or after the date that the Merged Plan Participant would have attained age 62.

(iii) For purposes of this Section 16.06, "Surviving Spouse" shall mean a Merged Plan Participant's spouse who survives him.

(iv) For purposes of this Section 16.06, "Married Merged Plan Participant shall mean a Merged Plan Participant whose spouse would be considered a Surviving Spouse upon the Merged Plan Participant's death.

(f) A Merged Plan Participant may elect, pursuant to the spousal consent provisions of Section 5.01 of this Plan, any one of the optional forms of benefits specified in this paragraph (f) with respect to his Merged Plan Benefit. Any optional form of benefit set forth in Article V of this Plan shall apply only to the Accrued Benefit earned by the Merged Plan Participant from and after the Benefit Accrual Date. Any optional form of benefit or combination of optional forms of benefits set forth in this paragraph (f) shall be

the Actuarial Equivalent of the Merged Plan Benefit otherwise payable with respect to the Merged Plan Participant.

(i) A Merged Plan Participant shall be entitled to receive his Merged Plan Benefit in a monthly annuity beginning on the applicable commencement date of his Merged Plan Benefit and continuing on the first of each month thereafter during his lifetime for a minimum of sixty (60) months.

(ii) The portion of the monthly annuity payable under subparagraph (i) above shall, in the event of a Merged Plan Participant's death prior to termination of the guaranteed monthly payments, continue to his Beneficiary (as defined in the Berol Plan for purposes of this Section 16.06) for the balance of the guaranteed period.

(iii) Notwithstanding the provisions of subparagraphs (i) and (ii) next above, unless a Merged Plan Participant who has a Surviving Spouse otherwise elects or has elected in the manner set forth in Sections 4.06 and 5.01 of this Plan, the Actuarial Equivalent of his Merged Plan Benefit shall be paid to him and after his death to his Surviving Spouse in the form of a monthly annuity having the effect of a Joint and Survivor Annuity, which shall commence not later than sixty (60) days after the close of the Plan Year in which such Merged Plan Participant's actual Retirement or death after attainment of his Normal Retirement Date but prior to Retirement occurs.

(iv) A Merged Plan Participant may file a written election, subject to the spousal consent provisions of Section 5.01 of this Plan, with the Pension Administrative Committee electing to receive his Merged Plan Benefit in one of the following optional forms:

(A) STRAIGHT LIFE ANNUITY. Substantially equal monthly installments payable directly to the Merged Plan Participant during his lifetime only.

(B) TEN YEARS CERTAIN. Substantially equal monthly installments payable directly to the Merged Plan Participant during his lifetime only, with a minimum of one hundred twenty (120) monthly payments guaranteed. The portion of the monthly annuity payable shall in the event of a Merged Plan Participant's death prior to termination of the guaranteed monthly payments continue to his Beneficiary.

(C) FIVE YEARS CERTAIN. Substantially equal monthly installments payable directly to the Merged Plan Participant during his lifetime only, with a minimum of sixty (60) monthly payments guaranteed. The portion of the monthly annuity payable shall in the event of a Merged Plan Participant's death prior to termination of the guaranteed monthly payments continue to his Beneficiary.

(D) JOINT AND SURVIVOR WITH 75% OR 100% CONTINUANCE ANNUITY. Annuity payments in the same amount or in an amount equal to seventy-five percent (75%) of the Merged Plan Participant's reduced annuity (as elected by the Merged Plan Participant) shall continue to his Contingent Annuitant, if surviving, with the last payment to be made as of the first day of the month in which the death of the Merged Plan Participant's Contingent Annuitant occurs.

(E) CASH OPTION. A lump sum cash payment to the Merged Plan Participant that is the Actuarial Equivalent of the Merged Plan Benefit commencing on the Normal Retirement Date (or Early Retirement Date if the Merged Plan Participant has satisfied the requirements for receiving his Merged Plan Benefit on an Early Retirement Date).

The election of any of the foregoing optional forms of benefit referred to in subparagraphs (A) through (E) hereof must be made in advance of Early Retirement Date or Normal Retirement Date, whichever is applicable.

After payment of a Merged Plan Participant's Merged Plan Benefit has commenced, no further elections, or adjustments in the amount of his Merged Plan Benefit, will be permitted under any circumstances. Notwithstanding anything in this Section 16.06 to the contrary, no method of distribution may be made that would violate the minimum distribution incidental benefit requirements of Section 401(a)(9) of the Code.

ARTICLE XVII

Actuarial Assumptions -

Constituent Plans and Merged Plans

Effective September 1, 1996, notwithstanding anything in this Plan to the contrary, the following shall apply to a lump sum distribution of an accrued benefit earned under any of the Constituent Plans described in Article XIII, or of a Merged Plan Benefit described in Article XIV or XVI:

(a) For purposes of determining the Actuarial Equivalence of lump sum distributions made on and after September 1, 1996, the interest rate shall be the annual rate of interest on 30-year Treasury securities in effect for the second full calendar month last preceding the first day of the Plan Year in which the payment is made, and the mortality table shall be the 1983 Group Annuity Mortality Table (50% male and 50% female rates). For purposes of this Article XVII, "Plan Year" shall mean the Plan Year, as defined immediately prior to the applicable Merger Date or Plan Merger Date, in the Constituent Plan or Merged Plan with respect to which the distribution is made.

(b) Notwithstanding anything to the contrary in paragraph (a) next above:

(1) any determination of Actuarial Equivalence made pursuant to this Article XVII on and after September 1, 1996 and prior to September 1, 1997, shall use the annual rate of interest on 30-year Treasury securities in effect either (A) for the second full calendar month last preceding the first day of the Plan Year in which the distribution is made, or (B) on the date that the applicable interest rate would have been determined prior to September 1, 1996 under the applicable Constituent Plan or Merged Plan, whichever results in the larger payment.

(2) The Actuarial Equivalent of a lump sum distribution under the Anchor Hocking Salaried Plan, the Anchor Hocking Salaried Plan-Hourly Part, the Goody Salaried Plan or the Berol Plan, shall not be less than the greater of:

(i) The Actuarial Equivalent determined using the interest rate (other than the interest rate used by the Pension Benefit Guaranty Corporation for purposes of determining the present value of a lump sum distribution on plan termination), and the associated mortality table, that were used to determine Actuarial Equivalence of lump sum distributions prior to September 1, 1996 under the applicable Constituent Plan or Merged Plan; or

(ii) The Actuarial Equivalent determined pursuant to paragraph (a) or subparagraph (b)(1) of this Article XVII.

IN WITNESS WHEREOF, the Company has caused the Plan to be executed in its name by its duly authorized officer this 29th day of December, 1996, effective as of the first day of September, 1996.

NEWELL OPERATING COMPANY

By:_____

EXHIBIT A

COMPANY OR DIVISION	(1) HOURS OF SERVICE, ELIGIBILITY YEAR OF SERVICE AND VESTING SERVICE	(2) CREDITED SERVICE
Amerock	Date of Hire*(1)	January 1, 1989
Anchor Hocking	Date of Hire*(1)	January 1, 1989
Anchor Hocking Plastics	Date of Hire*(1)	January 1, 1989
BernzOmatic (3)	April 1, 1982	September 1, 1982
Berol	Date of Hire*	April 1, 1996
Bulldog Jordan		
Memphis, TN	Date of Hire*	Date of Hire
Ogdensburg, NY	February 1, 1949	February 1, 1965
Dorfile		
Los Angeles	December 1, 1978	January 1, 1980
Memphis, TN	April 16, 1969	January 1, 1973
EZ Paintr (Masterset)	March 31, 1973	January 1, 1975
EZ Paintr (Thomas)	Date of Hire*	December 5, 1988
Faber-Castell	Date of Hire*	January 1, 1996
Foley	Date of Hire*	July 1, 1985
Goody	Date of Hire*	January 1, 1995
Intercraft	Date of Hire*	January 1, 1994
Lapcor Plastics	Date of Hire*	April 1, 1984
Lee Rowan	Date of Hire*	January 1, 1994
Mirro	Date of Hire*	September 1, 1983

Newell Corporate & Window Furnishings	February 1, 1949	January 1, 1973(2)
Newell Office Products (formerly W.T. Rogers)	Date of Hire*	January 1, 1993
Rema	Date of Hire*	January 1, 1989
Sanford	Date of Hire*(1)	January 1, 1993
Stuart Hall	Date of Hire*	January 1, 1995
Systemworks	Date of Hire*	January 1, 1995

(1) The later of Date of Hire or Vesting Service date under a Prior Plan.

EXHIBIT A (cont.)
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(2) Benefit Service earned back to February 1, 1949 is counted if, at all times before 1973 Employee was eligible to contribute to the Plan, he made the required contributions. If Employee was not eligible to contribute to the Plan before 1973 (for example, because he did not meet the age requirements), all pre-1973 service will be included when when determining Credited Service. If before 1973, Employee did not make the full required contribution to the Plan at any time he was eligible, only one period of pre-1973 service may be included in Credited Service. This is the continuous period immediately before January 1, 1973 when Employee contributed the full amount to the Plan.

(3) For (i) each individual who is an active employee of the BernzOmatic Division of the Company at any time on or after June 1, 1995, and (ii) each former employee of the BernzOmatic Division of the Company who is entitled to a benefit under Section 4.04, the payment of which has not commenced prior to June 1, 1995, solely for purposes of determining such Participants' Vesting Service for purposes of (i) the definition of Early Retirement Date in Article II, (ii) the second sentence of Subsection 4.05(a) of the Plan, and (iii) determining the commencement and amount of a Qualified Preretirement Survivor Annuity pursuant to Subsection 4.07(a) of the Plan, such individuals shall receive credit for periods of employment with the Company or an Affiliated Company prior to and from and after April 1, 1982, and for periods of employment with BernzOmatic Corporation prior to April 1, 1982.

* Date of Hire refers to original employment date with Employer.

AMENDMENT I TO THE
NEWELL PENSION PLAN FOR SALARIED AND CLERICAL EMPLOYEES
(As Amended and Restated Effective as of September 1, 1996)

WHEREAS, Newell Operating Company (the "Company") maintains the Newell Pension Plan for Salaried and Clerical Employees, as amended and restated effective as of September 1, 1996 (the "Plan"); and

WHEREAS, the Goody Products, Inc. Pension Plan for Salaried Employees (the "Goody Salaried Plan") was merged into the Plan, effective January 1, 1995;

NOW, THEREFORE, IT IS RESOLVED that, pursuant to the power reserved to the Board of Directors of the Company by Section 10.02 of the Plan, the Plan is hereby amended, effective as of January 1, 1997, as follows:

1. By adding the following new Sub-section 16.03(h) immediately following section 16.03(g) thereof:

"16.03(H) SPECIAL PROVISION RELATING TO MERGED PLAN PARTICIPANTS WHOSE EMPLOYMENT AT GOODY PRODUCTS, INC. TERMINATED BETWEEN NOVEMBER 17, 1993, AND DECEMBER 31, 1994.

(i) Solely for purposes of calculating the Merged Plan Benefit of those Merged Plan Participants who formerly participated in the Goody Salaried Plan, whose employment with Goody terminated between November 17, 1993 and December 31, 1994, and who received severance pay pursuant to the Amended and Restated Goody Products, Inc. Special Severance Policy (the "Severance Policy") (hereinafter referred to as the "Goody Severed Participants"), the term Hour of 'Service' (as defined in Section 2.17 and applied in Section 3.02 of the Goody Salaried Plan) shall include any hour following termination of employment with Goody for which a Goody Severed Participant is paid or entitled to payment pursuant to the Severance Policy, and the term Final Average 'Salary' (as defined in Section 2.16 and applied in Section 6.01 of the Goody Salaried Plan) shall be calculated with reference to the five consecutive years yielding the highest average within the ten year period ending on the last day for which the Goody Severed Participant received severance pay pursuant to the Severance Policy.

(ii) As soon as practicable, the Plan will recalculate the Merged Plan Benefit (the "Recalculated Merged Plan Benefit") of each Goody Severed Participant in accordance with the terms of subparagraph (i) hereof and will notify each such participant of his or her Recalculated Merged Plan Benefit. As soon as practicable, the Plan will also make a lump sum payment

equal in amount to the difference between the aggregate amount of Merged Plan Benefit payments already made to such participant and the amount such participant would have received if such payments had been based upon his or her Recalculated Merged Plan Benefit.

IN WITNESS WHEREOF, this Amendment I to the Plan has been executed on this 2nd day of April, 1997.

NEWELL OPERATING COMPANY

By:

_____

Title:

_____

FIRST AMENDMENT TO THE NEWELL PENSION PLAN FOR SALARIED AND CLERICAL EMPLOYEES

(As Amended and Restated Effective as of September 1, 1996)

WHEREAS, Newell Operating Company (the "Company") maintains the Newell Pension Plan for Salaried and Clerical Employees (As Amended and Restated Effective as of September 1, 1996) (the "Plan"); and

WHEREAS, the Company has reserved the right to amend the Plan and now deems it appropriate to do so;

NOW, THEREFORE, the Plan is hereby amended in the following respects effective as of the dates specified herein and with respect to each participant who earns an hour of service on or after the applicable effective date:

1. Exhibit A to the Plan is hereby amended, effective as of May 30, 1995 to add the following Company:

Company or Division	Hours of Service, Eligibility Year of Service and Vesting Service	Credited Service
Kirsch, Inc.	Date of Hire	May 30, 1997

IN WITNESS WHEREOF, the Company has caused this First Amendment to be executed on its behalf, by its officer duly authorized, this 29th day of May, 1997.

NEWELL OPERATING COMPANY

By:_____

AMENDMENT II TO THE NEWELL PENSION PLAN FOR SALARIED AND CLERICAL EMPLOYEES

(As Amended and Restated Effective as of September 1, 1996)

WHEREAS, Newell Operating Company (the "Company") maintains the Newell Pension Plan for Salaried and Clerical Employees, as amended and restated effective as of September 1, 1996 (the "Plan");

WHEREAS, the Goody Products, Inc. Pension Plan for Salaried Employees (the "Goody Salaried Plan") was merged into the Plan, effective January 1, 1995; and

WHEREAS, the Plan previously was amended by virtue of an amendment titled "Amendment I," and the Company now deems it appropriate to further amend the Plan to clarify the operation of Amendment I:

NOW, THEREFORE, IT IS RESOLVED that, pursuant to the power reserved to the Board of Directors of the Company by Section 10.02 of the Plan, the Plan is hereby amended, effective as of January 1, 1997, as follows:

1. By adding the following new subparagraph (iii) to subsection 16.03(h) which was added to the Plan by virtue of Amendment I thereof:

(iii) If, prior to the implementation of Amendment I, a Goody Severed Participant received a mandatory cash out pursuant to subsection 4.15(a) of the Plan or Section 7.04 of the Goody Salaried Plan, but, as a result of the recalculation of the Merged Plan Benefit as described in subparagraphs (i) and (ii) of this subsection 16.03(h), the Actuarial Equivalent of such Goody Severed Participant's Recalculated Merged Plan Benefit exceeds $3,500, then with respect to that portion of the Recalculated Merged Plan Benefit that the Goody Severed Participant has not yet received, the Goody Severed Participant may elect, pursuant to the spousal consent provisions of Section 5.01 of the Plan, to receive payment of such portion in a lump sum. In such event, the Pension Administrative Committee shall distribute the Actuarial Equivalent of such portion of the Recalculated Merged Plan Benefit to the Goody Severed Participant as soon as administratively feasible after receipt of such election. In the absence of such election, the unpaid portion of the Recalculated Merged Plan Benefit of the Goody Severed Participant will be paid as described in Section 4.06 and subsections 16.03 (f) and (g) of the Plan.

IN WITNESS WHEREOF, this Amendment II to the Plan has been executed on this 8th day of October, 1997.

NEWELL OPERATING COMPANY

By:

_____

Title:

_____

AMENDMENT IV TO THE
NEWELL PENSION PLAN FOR SALARIED
AND CLERICAL EMPLOYEES
(As Amended and Restated Effective as of September 1, 1996)

WHEREAS, Newell Operating Company (the "Company") maintains the Newell Pension Plan for Salaried and Clerical Employees (As Amended and Restated Effective as of September 1, 1996) (the "Plan"); and

WHEREAS, the Company has reserved the right to amend the Plan and now deems it appropriate to do so;

NOW, THEREFORE, the Plan is hereby amended in the following respects effective as of the date specified herein and with respect to each participant who earns an hour of service on or after the applicable effective date:

1. Exhibit A to the Plan is hereby amended, effective as of May 1, 1998, by adding the following Divisions:

Company or Division	Hours of Service, Eligibility Year of Service and Vesting Service	Credited Service
Intercraft at Covington, TN	Date of Hire*	May 30, 1997
Levolor Home Fashions	Date of Hire*	July 1, 1998

IN WITNESS WHEREOF, the Company has caused this Fourth Amendment to be executed on its behalf, by its officer duly authorized, this 15th day of June, 1998.

NEWELL OPERATING COMPANY

By:_____

EXHIBIT 10.7

11/10/94

NEWELL
PENSION PLAN FOR FACTORY AND DISTRIBUTION
HOURLY PAID EMPLOYEES

(As Amended and Restated Effective January 1, 1989)

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NEWELL
PENSION PLAN FOR FACTORY AND DISTRIBUTION
HOURLY PAID EMPLOYEES

(As Amended and Restated Effective January 1, 1989)

WHEREAS, Anchor Hocking Corporation established the Pension Plan for Hourly Paid Employees of Shenango China Division of Anchor Hocking Corporation ("Plan");

WHEREAS, the Plan was subsequently amended from time to time, and was most recently amended on August 22, 1988;

WHEREAS, Newell Co., the parent of the Company, acquired Anchor Hocking Corporation and assumed the Plan, effective July 2, 1987;

WHEREAS, effective September 1, 1991, the following retirement plans were merged into the Plan: the Amerock Corporation Supplemental Retirement Benefit Plan, the Anchor Hocking Service Retirement Plan For Hourly Employees, the Newell Pension Plan for Factory and Distribution Hourly Paid Employees and the Phoenix Hourly Plan;

WHEREAS, effective December 1, 1992, the following Retirement Plans were merged into the Plan: the Sanford Corporation Union Pension Plan, and the Sanford Corporation Retirement Plan for Non-Bargaining Hourly Employees of Sterling Plastics;

WHEREAS, each of the Plans merged into the Plan was maintained by the Company or an Affiliated Company; and

WHEREAS, the Company now deems it advisable to amend and restate the Plan in its entirety, and to change the name of the Plan to be the "Newell Pension Plan for Factory and Distribution Hourly Paid Employees;

NOW THEREFORE, BE IT RESOLVED, that the Plan is hereby amended and restated, effective January 1, 1989, except as otherwise indicated, to reflect the aforementioned mergers and to read as follows:

ARTICLE I

PURPOSE, INTENT AND EFFECTIVE DATES

1.01 PURPOSE. The Company has established and maintains the Newell Pension Plan for Factory and Distribution Hourly Paid Employees to aid its eligible employees to attain a greater degree of post-retirement financial security for themselves and their families.

1.02 INTENT. The Company intends that the Plan, as set forth in this amendment and restatement, and as it may from time to time be further amended, shall constitute a qualified Plan under the provisions of Section 401(a) (and further or successor applicable provisions) of the Code and shall be in full compliance with the provisions of ERISA. The Company intends that the Plan shall continue to be maintained by it for the above purposes indefinitely, subject always, however, to the rights reserved in the Company to amend and terminate as hereinbelow set forth.

1.03 EMPLOYEES TERMINATED PRIOR TO JANUARY 1, 1989. The provisions of the Plan as Amended and Restated Effective January 1, 1989, shall not be applicable to any employee of the Company or an Affiliated Company whose employment terminated prior to January 1, 1989, except as otherwise provided herein. The rights of any such person to receive benefits, if any, under the Plan, and the amount of and conditions under which such benefits shall be payable, shall be determined in accordance with the provisions of the Plan or such other retirement plan, if any, as may have been applicable to the employee as in effect on the date of his termination of employment. The benefits of each person who terminated employment with the Company and all Affiliated Companies prior to the date on which the plan in which such person participated on the date of his termination of employment was merged into this Plan, shall not be determined under this Plan, but shall be determined under the provisions of the plan in which such person was a participant as in effect on the date such person terminated employment.

ARTICLE II

DEFINITIONS

The following terms, when used herein and initially capitalized as below indicated, shall, unless otherwise expressly provided, have the following respective meaning:

"Accrued Benefit" when used in reference to a Participant as of any given date means his Normal Retirement Benefit determined as set forth in Section 4.01 hereof based on Credited Service through such given date. The Accrued Benefit of a Participant attributable to his own contributions shall be his accumulated contributions with Credited Interest compounded annually to the date of determination, multiplied by ten percent (10%) to convert such amount to an annual benefit under a straight-life annuity without ancillary benefits. Unless otherwise provided under the Plan, each Section 401(a)(17) Employee's Accrued Benefit under this Plan will be the greater of the Accrued Benefit determined for the Employee under (a) or (b) below:

(a) the Employee's Accrued Benefit determined with respect to the benefit formula set forth in Section 4.01, applicable for the Plan Year beginning on January 1, 1994, as applied to the Employee's total years of Credited Service taken into account under the Plan for the purposes of benefit accruals, or

(b) the sum of:

(i) the Employee's Accrued Benefit as of the last day of the last Plan Year beginning before January 1, 1994, frozen in accordance with Section 1.401(a)(4)-13 of the regulations, and

(ii) the Employee's Accrued Benefit determined under the benefit formula set forth in Section 4.01, applicable for the Plan Year beginning on January 1, 1994, as applied to the Employee's total years of Credited Service taken into account under the Plan for Plan Years beginning on or after January 1, 1994, for purposes of benefit accruals.

For purposes of this paragraph (b) an Employee's total years of Credited Service will be considered in determining the 30-year maximum set forth in Section 4.01.

A Section 401(a)(17) Employee means an Employee whose current Accrued Benefit as of a date on or after the first day of the first Plan Year beginning on or after January 1, 1994, is based on Compensation for a year beginning prior to the first day of the first Plan Year beginning on or after January 1, 1994, that exceeded $150,000.

"Actuarial (or Actuarially) Equivalent" means the equality in value of the aggregate amounts expected to be received under different forms of payment, determined on the basis of the assumptions and methods set forth in Section 5.05 below.

"Actuary" means an actuary who is enrolled by the Joint Board for the Enrollment of Actuaries established under ERISA and who is selected by the Company from time to time to provide the actuarial reports and perform the actuarial services for the Plan.

"Affiliated Company" means: (i) any corporation which is a member of a controlled group of corporations (as defined in Section 414(b) of the Code) which includes the Company; (ii) any trade or business, whether or not incorporated, which is under common control (as defined in Section 414(c) of the Code) with the Company; and (iii) any member of an affiliated service group (as defined in Section 414(m) of the Code), which includes the Company.

"Beneficiary" means the person or persons entitled to receive benefits under the Plan by reason of the death of a Participant.

"Board" means the Board of Directors of the Company as from time to time constituted.

"Break in Service" means the period of an Employee's absence from active employment commencing upon his Severance Date from all Employers and ending (if at all) when he again performs an Hour of Service, within the meaning of the first clause (i) of the definition of "Hour of Service."

"Code" means the Internal Revenue Code of 1986, as from time to time amended.

"Company" means Newell Operating Company (formerly known as Newell Co., Newell Companies, Inc., Newell National Co. and Newell Mfg. Co.), a Delaware corporation and its predecessor, Newell Mfg. Co. (formerly known as Western Newell Mfg. Co.), an Illinois corporation.

"Covered Compensation" means the annual basic compensation of a Participant from a Participating Employer for the relevant period for services rendered to the Participating Employer in any Plan Year, including straight-time wages for regular work week time, and any amounts withheld pursuant to the Newell Long-Term Savings and Investment Plan or the Newell Flexible Benefits Account Plan, but excluding bonuses, all shift premiums and overtime, and benefits under this Plan or any other employee benefit plan. In no event shall the compensation of a Participant taken into account under the Plan for any Plan Year commencing after December 31, 1988 and prior to January 1, 1994, exceed $200,000 (or such greater amount provided pursuant to Section 401(a)(17) of the Code). In addition to other applicable limitations set forth in the Plan, and notwithstanding any other provision of the Plan to the contrary, for Plan Years beginning on or after January 1, 1994, the annual compensation of each Employee taken into account under the Plan shall not exceed the OBRA '93 annual compensation limit. The OBRA '93 annual compensation limit is $150,000, as adjusted by the Commissioner for increases in the cost of living in accordance with Section 401(a)(17)(B) of the Code. The cost-of-living adjustment in effect for a calendar year applies to any period, not exceeding 12 months, over which compensation is determined (determination period) beginning in such calendar year. If a determination period consists of fewer than 12 months, the OBRA '93 annual compensation limit will be multiplied by a fraction, the numerator of which is the number of months in the determination period, and the denominator of which is 12. For Plan Years beginning on or after January 1, 1994, any reference in this Plan to the limitation under Section 401(a)(17) of the Code shall mean the OBRA '93 annual compensation limit set forth in this provision. If compensation for any prior determination period is taken into account in determining an Employee's benefits accruing in the current Plan Year, the compensation for that prior determination period is subject to the OBRA '93 annual compensation limit in effect for that prior determination period. For this purpose, for determination periods beginning before the first day of the Plan Year beginning on January 1, 1994, the OBRA '93 annual compensation limit is $150,000.

"Credited Interest" means interest compounded annually at the rate of three percent (3%) per annum through December 31, 1972, at four percent (4%) per annum from January 1, 1973 through December 31, 1975, at five percent (5%) per annum from January 1, 1976 through December 31, 1987, and beginning January 1, 1988, at 120% per annum of the mid-term applicable Federal rate (AFR) (as in effect under Section 1274 of the Code for the first month of the Plan Year) established by the Secretary of the Treasury pursuant to Section 204(c)(2)(C)(iii) of ERISA, on the aggregate amount from time to time of a Participant's contributions to the Plan.

"Credited Service" means all service of an Employee, while on a nonclerical hourly-paid basis with a Participating Employer (on and after the date specified in column 2 of Exhibit A hereto) that is included in a period of Vesting Service, and that is completed while the Employee is a Participant or during such Employee's Eligibility Year of Service; SUBJECT, HOWEVER, to the following special rules:

(a) Credited Service will not include any service prior to January 1, 1973 if the Employee was eligible to contribute to this Plan at any time prior to January 1, 1973 and failed to contribute the full amount required to this Plan; except that Credited Service will include any period of service immediately prior to January 1, 1973, when the Employee was contributing the full amount required to this Plan.

(b) Credited Service will not include any period of service during which an Employee is included in a unit of employees covered by a collective bargaining agreement for which retirement benefits were a subject of good faith negotiations, unless such collective bargaining agreement provides for the participation of such Employees in this Plan.

(c) Credited Service will not include leaves of absence granted by an Employer to an Employee on and after August 5, 1993, pursuant to the Family and Medical Leave Act, regardless of whether the Employee returns to work for an Employer at the end of such leave of absence.

"Early Retirement Date" means the first day of the calendar month following the month in which a Participant completes at least fifteen (15) years of Vesting Service, attains age sixty (60) and elects, by written notice delivered to the Pension Administrative Committee at least thirty (30) days in advance of such Date, to Retire prior to his Normal Retirement Date.

"Effective Date" means January 1, 1989.

"Eligibility Commencement Date" when used in reference to an Employee means the later of the Effective Date and the first day thereafter on which he meets all of the following requirements:

(a) He is employed on a nonclerical hourly-paid basis by a Participating Employer (after it becomes a Participating Employer);

(b) He is not included in a unit of employees covered by a collective bargaining agreement for which retirement benefits were a subject of good faith negotiations, unless such collective bargaining agreement provides for the participation of such Employees in this Plan; and

(c) He has completed an Eligibility Year of Service.

"Eligibility Year of Service" means the twelve (12) month period, commencing with the later of (a) the date an Employee first

performs an Hour of Service for an Employer or an Affiliated Company (whether or not it is a Participating Employer), and (b) the date specified in column 1 of Exhibit A hereto, during which he completes at least 1,000 Hours of Service, or if he does not complete 1,000 Hours of Service during such twelve (12) month period, then the first Plan Year ending thereafter in which he does complete 1,000 Hours of Service. Eligibility Years of Service shall include leaves of absence granted by an Employer or an Affiliated Company to an Employee on and after August 5, 1993 pursuant to the Family and Medical Leave Act, if the Employee returns to work for an Employer or an Affiliated Company at the end of such leave of absence.

"Eligible Spouse" means a person to whom a Participant is legally married on the date benefit payments commence under Section 4.01 (Normal), 4.02 (Postponed), 4.03 (Early) or 4.04 (Vested).

"Employee" means each person, officer or otherwise, in an employee-employer relationship with an Employer.

"Employer" means (i) the Company's corporate management group, (ii) each operating division of the Company, and (iii) each Affiliated Company, whether or not it is a Participating Employer.

"ERISA" means the Employee Retirement Income Security Act of 1974 as from time to time amended.

"Excess Compensation" means that part of the Covered Compensation (as defined above) of a Participant for a Plan Year that exceeds $25,000. If a Participant's employment begins or ends during a Plan Year, his Excess Compensation shall be determined by assuming that he had Covered Compensation for the entire Plan Year at the same rate as yields his actual Covered Compensation for so much of the Plan Year as he was an Employee.

"Forfeiture" means the Accrued Benefit of a Participant to which he (or his Beneficiary) does not become entitled upon a Severance Date and which is thus forfeited pursuant to Section 4.10 below.

"Fund" means the entire trust fund from time to time held by the Trustees pursuant to the Trust for the purposes of this Plan.

"Hour of Service" means:

(i) each hour for which an Employee is paid or entitled to payment for the performance of duties for an Employer on and after the later of (i) the date the Employee is first hired by an Employer, and (ii) the date specified in column (1) of Exhibit A hereto with respect to such Employer (provided that, if no date is specified in such column with respect to an Employer, the date on which such Employer became an Affiliated Company shall be utilized for purposes of this clause (ii)); and

(ii) each hour for which an Employee is directly or indirectly paid by an Employer or is entitled to payment from an Employer during which no duties are performed by reason of vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty or leave of absence (but not in excess of 501 hours in any continuous period during which no duties are performed), on and after the later of (i) the date the Employee is first hired by an Employer, and (ii) the date specified in column (1) of Exhibit A hereto with respect to such Employer (provided that, if no date is specified in such column with respect to an Employer, the date on which such Employer became an Affiliated Company shall be utilized for purposes of this clause (ii)).

Each Hour of Service for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by an Employer shall be included under either subsection (i) or (ii) above as may be appropriate. Hours of Service shall be credited:

(a) in the case of Hours referred to in subsection (i) above, for the computation period in which the duties are performed;

(b) in the case of Hours referred to in subsection (ii) above, for the computation period or periods in which the period during which no duties are performed occurs; and

(c) in the case of Hours for which back pay is awarded or agreed to by an Employer, for the computation period or periods to which the award or agreement pertains rather than to the computation period in which the award, agreement or payment is made.

If an Employee is paid for reasons other than the performance of duties pursuant to subsection (ii) above: (i) in the case of a payment made or due which is calculated on the basis of units of time, an Employee shall be credited with the number of regularly scheduled working hours included in the units of time on the basis of which the payment is calculated; and (ii) an Employee without a regular work schedule shall be credited with eight (8) Hours of Service per day (to a maximum of forty (40) Hours of Service per week) for each day that the Employee is so paid. Hours of Service shall be calculated in accordance with Department of Labor Regulations Section 2530.200b-2 or any future legislation or regulation that amends, supplements or supersedes said section. Persons described in subsection (c) of the definition of "Vesting Service" (subject, however, to the limitation of that subsection) shall be treated as Employees of an Employer for purposes of calculating Hours of Service.

"Leased Employee" means a person who is not employed by an Employer but who performs services for an Employer pursuant to an agreement between the Employer and a leasing organization after such person performs such services on a substantially full-time basis for a twelve-month period, provided that the services are of the type historically performed by employees in the business field. Subject to

the provisions of subsection (c) of the definition of "Vesting Service" and the last sentence of the definition of "Hour of Service," a Leased Employee of an Employer shall not be considered an Employee for purposes of the Plan.

"Named Fiduciary" means the entity which has ultimate authority to control and manage the operation and administration of the Plan and in this Plan means the Company as set forth in Section 8.01 below.

"Normal Retirement Benefit" when used in reference to a Participant means his normal retirement benefit, if any, determined as set forth in Section 4.01.

"Normal Retirement Date" means the first day of the calendar month following a Participant's sixty-fifth (65th) birthday. A Participant's Accrued Benefit shall be nonforfeitable on his sixty fifth (65th) birthday.

"Participant" means an Employee or a former Employee who is described as a Participant under Article III of the Plan.

"Participating Employer" means the Company and (i) each Employer whose Employees participated in a Prior Plan immediately prior to the Effective Date; and (ii) each other Employer (A) to which the Board has extended this Plan by resolution specifying the date on which this Plan becomes effective as to that Employer, and (B) if that other Employer is separately incorporated, which has adopted this Plan as its own plan by resolution of its board of directors. Each Employer that is a Participating Employer is identified on Exhibit A to this Plan, together with the date on and after which Hours of Service, an Eligibility Year of Service, Vesting Service and Credited Service shall be counted with respect to such Participating Employer.

"Pension Administrative Committee" means the Plan administrative committee referred to in Article VIII hereof as from time to time constituted.

"Pension Finance Committee" means the Plan finance committee referred to in Article VIII hereof as from time to time constituted.

"Plan" means the NEWELL PENSION PLAN FOR FACTORY AND DISTRIBUTION HOURLY PAID EMPLOYEES, as amended and restated effective January 1, 1989, as herein set forth and as from time to time amended and includes also the WESTERN NEWELL MFG. CO. PENSION PLAN, as established February 1, 1949, and successive amendments thereto and restatements thereof.

"Plan Year" means the fiscal year of the Plan and of the Trust and, until changed, shall begin January 1 and end December 31 of each year.

"Postponed Retirement Date" when used in reference to a Participant means the date, following his Normal Retirement Date, on which he Retires.

"Prior Plan" means any of the following:

(i) Anchor Hocking Service Retirement Plan for Hourly Employees;

(ii) Amerock Corporation Supplemental Retirement Benefit Plan;

(iii) Sanford Corporation Union Pension Plan;

(iv) Sanford Corporation Retirement Plan for Non-Bargaining Hourly Employees of Sterling Plastics;

(v) Phoenix Hourly Retirement Plan; and

(vi) Pension Plan For Hourly Paid Employees of Shenango China Division of Anchor Hocking Corporation.

"Qualified Joint and Survivor Annuity" means a monthly annuity for the life of the Participant with a survivor annuity for the life of his Eligible Spouse, the monthly payments of which are equal to one-half of the monthly amount paid or payable to the Participant.

"Retirement" or "Retires" or "Retiring" means the first day of the calendar month following the termination of a Participant's service with an Employer when he is entitled to a normal, postponed, or early retirement benefit under Article IV hereof.

"Severance Date" means the earlier of:

(i) the date the employment of an Employee terminates by reason of quitting, Retirement, death or discharge; and

(ii) the first anniversary of the first date of an absence from the performance of duties as an Employee (with or without pay) for any other reason (such as vacation, holidays, sickness, disability, leave of absence or layoff).

If any Employee who is absent from work because of (i) the Employee's pregnancy, (ii) the birth of the Employee's child, (iii) the placement of a child with the Employee in connection with the Employee's adoption of the child, or (iv) caring for such child immediately following such birth or placement, shall be absent for such reason beyond the first anniversary of the first date of absence, his Severance Date shall be the second anniversary of the first day of such absence, provided that the Employee furnishes to the Pension Administrative Committee such timely information that the Pension Administrative Committee may reasonably require to establish (A) that the absence from work is for one of the reasons specified in clauses (i) through (iv), and (B) the number of days for which there was such an absence. Notwithstanding anything to the contrary contained herein, in no event shall the period between the first and second anniversary of the first day of such absence be counted as a period of

employment for purposes of calculating Vesting Service or Credited Service.

"Spouse" means an Eligible Spouse or a Surviving Spouse.

"Surviving Spouse" means a person to whom a Participant is legally married for at least the one (1) year period ending on the Participant's date of death.

"Trust" means the Newell Co. Master Retirement Trust as set forth in the Trust Agreement entered into on July 1, 1989, by and between the Company and The Northern Trust Company, as Trustee, as the same may from time to time be amended.

"Trustees" means the individual trustee under the Trust, or any successor trustee or trustees under the provisions of the Trust.

"Vesting Service" means all service of an Employee with an Employer or an Affiliated Company, based on calendar months, counted from the earlier of (A) the later of (i) the date the Employee is first hired by an Employer or an Affiliated Company, and (ii) the date specified in column 1 of Exhibit A hereto with respect to such Employer (provided that, if no date is specified in such column with respect to an Employer, the date on which such Employer became an Affiliated Company shall be utilized for purposes of this clause (ii)), and (B) the date on which the Employee began accruing Vesting Service under a Prior Plan, to his last Severance Date; SUBJECT, HOWEVER, to the following special rules:

(a) Breaks in Service will be excluded in determining Vesting Service, except that a Break in Service incurred when an Employee quits, Retires, or is discharged will not be excluded if the Employee returns to the performance of duties as an Employee of an Employer prior to the first anniversary of his absence from the performance of duties; provided that if such Break in Service commenced while the Employee was absent from the performance of duties for one of the reasons described in paragraph (ii) of the definition of "Severance Date," the Break in Service will only not be excluded if it is incurred, and the Employee returns to the performance of duties as an Employee of an Employer, prior to the first anniversary of his absence from the performance of duties.

(b) For an Employee who is entitled to any portion of his Accrued Benefit in accordance with Article IV or Article XII hereof, service which would otherwise be Vesting Service which occurs before a Break in Service of at least twelve (12) consecutive months will be included in determining Vesting Service if the Employee completes one Eligibility Year of Service after the date on which the Break in Service ends.

(c) For an Employee who is not entitled to any portion of his Accrued Benefit in accordance with Article IV or Article XII hereof, service which would otherwise be Vesting Service which occurs before a Break in Service of at least twelve (12) consecu-

tive months will be included in determining Vesting Service if the Employee completes one year of Eligibility Service after the date on which the Break in Service ends; provided that in no event will such service be included in determining Vesting Service if the length of the Break in Service exceeds: (i) if the Break in Service commenced before January 1, 1985, the length of the prior Vesting Service (determined after applying this same rule to such prior Vesting Service) or (ii) if the Break in Service commenced after December 31, 1984, the greater of the period determined under clause (i) or five (5) years.

(d) Any Leased Employee of an Employer or an Affiliated Company who subsequently becomes an Employee and thereafter participates in the Plan shall receive credit for vesting hereunder for his period of employment as a Leased Employee, except to the extent that Section 414(n)(5) of the Code was satisfied with respect to such Employee while he was a Leased Employee.

(e) Vesting Service shall include leaves of absence granted by an Employer or an Affiliated Company to an Employee on and after August 5, 1993 pursuant to the Family and Medical Leave Act, if the Employee returns to work for an Employer or an Affiliated Company at the end of such leave of absence.

GENDER AND NUMBER. The masculine pronoun wherever used herein shall be deemed to include the feminine and the neuter, and the singular shall be deemed to include the plural whenever the context requires.

ARTICLE III

ELIGIBILITY AND PARTICIPATION

3.01 REQUIREMENTS FOR PARTICIPATION. Each Employee who was a Participant in the Plan immediately prior to the Effective Date shall continue to participate in and receive benefits under the Plan in accordance with its terms. Each other Employee shall become a Participant on his Eligibility Commencement Date.

3.02 DURATION. (a) An Employee who became a Participant and attained his Severance Date prior to January 1, 1993 continued to be a Participant until the end of a Plan Year in which he completed fewer than 501 Hours of Service and also continued to be a Participant thereafter for so long as he was entitled to receive any benefits hereunder regardless of when such benefits are payable. If such Participant completed fewer than 501 Hours of Service in any Plan Year before becoming entitled to receive (then or thereafter) a benefit hereunder, he thereupon ceased to be a Participant unless and until he thereafter completed another Eligibility Year of Service in which event he was deemed to have become a Participant on the first day of such completed Eligibility Year of Service.

Notwithstanding the foregoing, if a Participant who left an Employer to serve in the armed forces of the United States for a period during which his reemployment rights are guaranteed by law ceased to be a Participant under the preceding provisions of this subsection (a), and such Participant returned to work for an Employer prior to the expiration of his reemployment rights, such Participant continued to participate in the Plan until he so returned (and thereafter in accordance with the terms of the Plan), despite his failure to complete 501 Hours of Service during any Plan Year prior to January 1, 1993 because he was absent for such purpose.

(b) An Employee who is absent from work with an Employer because of (i) the Employee's pregnancy, (ii) the birth of the Employee's child, (iii) the placement of a child with the Employee in connection with the Employee's adoption of the child, or (iv) caring for such child immediately following such birth or placement shall receive credit solely for purposes of subsection (a) above for the Hours of Service provided in subsection (c) below; provided that the total number of hours credited as Hours of Service under this subsection shall not exceed 501 Hours of Service.

(c) In the event of an Employee's absence from work for any of the reasons set forth in subsection (b) above, the Hours of Service that the Employee will be credited with under subsection (b) are (i) the Hours of Service that otherwise would normally have been credited to the Employee but for such absence, or (ii) eight (8) Hours of Service per day of such absence if the Pension Administrative Committee is unable to determine the Hours of Service described in clause (i).

(d) An Employee who is absent from work for any of the reasons set forth in subsection (b) above shall be credited with Hours of Service under subsection (b): (i) only in the Plan Year in which the absence begins, if the Employee would be prevented from ceasing to be a Participant under subsection (a) above in that Year solely because he receives credit for Hours of Service for the period of absence, as provided in subsections (b) and (c) above, or (ii) in any other case, in the immediately following Plan Year.

(e) No credit for Hours of Service will be given pursuant to subsections (b), (c) and (d) above unless the Employee furnishes to the Pension Administrative Committee such timely information that the Pension Administrative Committee may reasonably require to establish: (i) that the absence from work is for one of the reasons specified in subsection (b) and (ii) the number of days for which there was such an absence. No credit for Hours of Service will be given pursuant to subsections (b), (c), and (d) for any purpose of the Plan other than the determination of whether an Employee has ceased to be a Participant pursuant to subsection (a).

3.03 CHANGE IN STATUS. If a Participant shall cease to be employed on a nonclerical hourly-paid basis but continues to be an Employee, he shall be deemed to be an inactive Participant until he again is employed on a nonclerical hourly-paid basis or ceases to be an Employee, whichever first occurs. After he becomes, and so long as

he remains, an inactive Participant, he shall accrue no Credited Service for purposes of the Plan but shall continue to accrue Vesting Service in accordance with its terms. Upon the Retirement, death, disability or other termination of employment of an inactive Participant, payment of his benefits will be made to him or to his Spouse or Beneficiary pursuant to the applicable provisions of Articles IV and V.

ARTICLE IV

PENSION BENEFITS

4.01 BENEFITS PAYABLE ON NORMAL RETIREMENT. Subject to the provisions of Section 4.06 below and of subsection (e) of this Section 4.01, each Participant who Retires on his Normal Retirement Date shall be entitled to receive his Normal Retirement Benefit, a monthly benefit for the remainder of his lifetime, determined under subsections (a), (b), (c) and (d) below, as appropriate, and based on Credited Service determined in accordance with subsection (e) below.

(a) The portion of the Normal Retirement Benefit attributable to Credited Service before January 1, 1982, shall be the accrued benefit (determined under the terms and provisions of the Plan as in effect on December 31, 1981) to which a Participant is entitled as of January 1, 1982; PROVIDED, HOWEVER that for purposes of determining such accrued benefit, the compensation for the Plan Year 1977 for each Participant who was paid compensation for the entire Plan Year 1978 shall be deemed to be his compensation for the Plan Year 1978 divided by 1.06. For purposes of determining the accrued benefit of a Participant as of January 1, 1982 pursuant to this subsection (a), if the "Social Security Reduction Amount," as that term was defined in the Plan as of December 31, 1983, was calculated by using an estimate of the wages of an Employee for some or all years of employment for purposes of determining such Employee's "Primary Social Security Amount," as described in the paragraph in the Plan as of December 31, 1983, in which such term was so defined:

(i) The pre-termination (or pre-hire) wage history shall be estimated by applying a salary scale, projected backwards, to the Employee's compensation (as defined in section 3.3 of Internal Revenue Service Revenue Ruling 71-446) at termination of employment (or at hire) and the salary scale shall be either:

(A) the actual change in the average wages from year to year as determined by the Social Security Administration, or

(B) a level percentage per year that is not less than six percent per annum;

(ii) The Pension Administrative Committee shall give clear written notice to each Employee of the Employee's right to supply actual salary history and of the financial consequences of failing to supply such history. The notice must be given each time the summary plan description for the Plan is provided to the Employee and must also be given upon termination of employment. The notice must also state that the Employee can obtain the actual salary history from the Social Security Administration; and

(iii) The accrued benefit for any Participant will be adjusted based on an actual salary history for years previously estimated before termination of employment (and an assumed post-termination compensation in accordance with section 11.01 of Internal Revenue Service Revenue Ruling 71-446 when applicable) if the Participant supplies documentation of that history. Such documentation must be provided no later than ninety (90) days following the later of the date of termination of employment and the time when the Participant is notified of the amount of retirement income to which he is entitled.

The estimated wages may be used either only for years before employment or for all years before termination of employment.

(b) The portion of the Normal Retirement Benefit of a Participant included in a collective bargaining unit or employed at a location set forth on Exhibit B attached hereto, attributable to Credited Service from January 1, 1982 until the date preceding the Formula Change Date set forth on Exhibit B for the applicable unit or location, shall be one-twelfth (1/12) of the sum of:

(i) one and one-tenth percent (1.1%) of his Covered Compensation for each year of Credited Service from January 1, 1982 until the date preceding the applicable Formula Change Date, plus

(ii) one and two-tenths percent (1.2%) of his Excess Compensation for each year of Credited Service from January 1, 1982 until the date preceding the applicable Formula Change Date.

(c) The portion of the Normal Retirement Benefit of a Participant included in a collective bargaining unit or employed at a location set forth on Exhibit B or Exhibit C attached hereto, attributable to Credited Service from and after the applicable Formula Change Date or Credited Service Date shall be one-twelfth (1/12) of the sum of:

(i) one and thirty-seven hundredths percent (1.37%) of his Covered Compensation that is not Excess Compensation for each year of Credited Service from and after the applicable Formula Change Date or Credited Service Date, plus

(ii) one and eighty-five hundredths percent (1.85%) of his Excess Compensation for each year of Credited Service from and after the applicable Formula Change Date or Credited Service Date.

(d) The portion of the Normal Retirement Benefit of a Participant included in a collective bargaining unit or employed at a location set forth on Exhibit D attached hereto, attributable to Credited Service from and after the Credited Service Date set forth on Exhibit D for the applicable unit or location shall be one-twelfth (1/12th) of the sum of:

(i) One and one-tenth percent (1.1%) of his Covered Compensation for each year of Credited Service from and after the applicable Credited Service Date; plus

(ii) One and two-tenths percent (1.2%) of his Excess Compensation for each year of Credited Service from and after the applicable Credited Service Date.

(e) For purposes of determining the portion of the Normal Retirement Benefit to which a Participant is entitled pursuant to subsections (b), (c) and (d) above:

(i) Not more than thirty (30) years of Credited Service as a Participant under this Plan from and after the applicable 30 year Credited Service Date set forth on Exhibit A shall be taken into account for purposes of subsections (b), (c) and (d) above.

(ii) In the case of a Participant with more than thirty (30) years of Credited Service as a Participant under this Plan from and after the applicable 30 year Credited Service Date set forth on Exhibit A, the years of such Credited Service to be taken into account for purposes of subsections (b), (c) and (d) shall be those thirty (30) years (whether or not consecutive) which make the greatest contribution to his Normal Retirement Benefit under this Plan; and

(iii) If a Participant has Credited Service from and after the applicable 30 year Credited Service Date set forth on Exhibit A, as a Participant under this Plan and under the Newell Pension Plan for Salaried and Clerical Employees As Amended and Restated Effective January 1, 1989 (the "Salaried Plan"), the Participant shall be entitled to credit for a maximum of thirty (30) years of Credited Service under both this Plan and the Salaried Plan for purposes of computing his aggregate benefit from and after the applicable 30 year Credited Service Date set forth on Exhibit A, under subsections (b), (c) and (d) of this Section 4.01 and under the Salaried Plan; provided that if a Participant has more than thirty (30) years of such Credited Service from and after the applicable 30 year Credited Service Date set forth on Exhibit A, the years of such Credited Service to be taken into account for purposes of

computing such aggregate benefit under this Plan and the Salaried Plan shall be those 30 years (whether or not consecutive) which make the greatest contribution to such aggregate Normal Retirement Benefit under both Plans; and provided, further, that in no event will a Participant receive Credited Service for purposes of determining his Normal Retirement Benefit under this Plan while he is a Participant under the Salaried Plan.

(f) In no event shall this Section 4.01 be applied to reduce the Normal Retirement Benefit of any Participant below the Accrued Benefit (determined under the terms and provisions of the Plan as in effect on December 31, 1981) to which he was entitled as of January 1, 1983, or the Accrued Benefit (determined under the terms and provisions of the Plan as in effect on December 31, 1988) to which he was entitled as of January 1, 1989.

4.02 BENEFITS PAYABLE ON POSTPONED RETIREMENT. Subject to the provisions of Section 4.06 below, each Participant who Retires on his Postponed Retirement Date shall be entitled to receive a monthly benefit for the remainder of his lifetime, commencing on the first day of the month following such Postponed Retirement Date, equal to the amount determined in Section 4.01 above based on Credited Service (as limited by subsection 4.01(e)) as of his Postponed Retirement Date.

4.03 BENEFITS PAYABLE ON EARLY RETIREMENT. Subject to the provisions of Section 4.06 below, each Participant who Retires on his Early Retirement Date, shall be entitled to receive a monthly benefit for the remainder of his lifetime equal to his Accrued Benefit upon such Early Retirement Date, reduced where applicable by one-half of one percent (0.5%) for each month by which the date such benefit payments commence precedes his Normal Retirement Date.

4.04 VESTED BENEFITS. Subject to the provisions of Section 4.05 below, each Participant who upon a Severance Date caused other than by death is not thereby eligible for the benefits described in Section 4.01, 4.02 or 4.03 shall be entitled to receive, if the Participant has completed five (5) years of Vesting Service at his Severance Date, a monthly benefit equal to his Accrued Benefit at his Severance Date, reduced where applicable by one-half of one percent (0.5%) for each month by which the date such payments commence precedes his Normal Retirement Date.

4.05 COMMENCEMENT OF BENEFITS.

(a) Unless a Participant otherwise elects as provided below, payment of benefits under Sections 4.01, 4.02, 4.03, and 4.04 will commence on the later of the Participant's Normal Retirement Date and his Postponed Retirement Date. A Participant who has completed at least fifteen (15) years of Vesting Service may elect to have payment of reduced benefits under Section 4.03 or 4.04 commence on the first day of an earlier month but in no event before the later of his Severance Date and his sixtieth (60th) birthday.

(b) Any election under this Section 4.05 shall be made by written notice designating the selected date and delivered to the Pension Administrative Committee at least thirty (30) days in advance of that date. The provisions of subsections (a) and (b) are hereby expressly made subject to the terms of subsection (c) below.

(c) Notwithstanding anything to the contrary contained elsewhere in the Plan:

(i) The payment of benefits under the Plan to any Participant will:

(A) be distributed to him not later than the Required Distribution Date (as defined in subsection (c)(iii)), or

(B) be distributed to him commencing not later than the Required Distribution Date in accordance with regulations prescribed by the Secretary of the Treasury (I) over the life of the Participant or over the lives of the Participant and his Beneficiary, or (II) over a period not extending beyond the life expectancy of the Participant or the life expectancy of the Participant and his Beneficiary.

(ii) (A) If the Participant dies after distribution to him has commenced pursuant to subsection (c)(i)(B) but before his entire interest in a benefit under the Plan has been distributed to him, then the remaining portion of that interest will be distributed at least as rapidly as under the method of distribution being used under subsection (c)(i)(B) at the date of his death.

(B) If the Participant dies before distribution to him has commenced pursuant to subsection (c)(i)(B), then, except as provided in subsections (c)(ii)(C) and (c)(ii)(D), his entire interest in a benefit under the Plan will be distributed within five (5) years after his death.

(C) Notwithstanding the provisions of subsection (c)(ii)(B), if the Participant dies before distribution to him has commenced pursuant to subsection (c)(i)(B) and if any portion of his interest in a benefit under the Plan is payable (I) to or for the benefit of a Beneficiary, (II) in accordance with regulations prescribed by the Secretary of the Treasury over the life of the Beneficiary or over a period not extending beyond the life expectancy of the Beneficiary, and (III) beginning not later than one (1) year after the date of the Participant's death or such later date as the Secretary of the Treasury may prescribe by regulations, then the portion of such interest referred to in this subsection (c)(ii)(C) shall be treated as

distributed on the date on which such distributions begin.

(D) Notwithstanding the provisions of subsections (c)(ii)(B) and (c)(ii)(C), if the Beneficiary referred to in subsection (c)(ii)(C) is the Surviving Spouse of the Participant, then:

(I) the date on which the distributions are required to begin under subsection (c)(ii)(C)(III) shall not be earlier than the date on which the Participant would have attained age 70 1/2, and

(II) if the Surviving Spouse dies before the distributions to such Spouse begin, then this subsection (c)(ii)(D) shall be applied as if the Surviving Spouse were the Participant.

(iii) For purposes of this subsection (c), the "Required Distribution Date" means April 1 of the calendar year following the calendar year in which the Participant attains age 70 1/2; provided, however, that if the Participant attained age 70 1/2 in calendar year 1988, the Required Distribution Date means April 1, 1990, and further provided that if the Participant attained age 70 1/2 prior to January 1, 1988, the Required Distribution Date means the April 1 following the later of the calendar year in which the Participant: (A) attained age 70 1/2, or (B) terminated service with all Employers, unless he was a five-percent owner (as defined in Section 416 of the Code) of the Company with respect to the Plan Year ending in the calendar year in which he attained age 70 1/2, in which case clause (B) shall not apply.

(iv) For purposes of this subsection (c), the life expectancy of a Participant and his Spouse may be redetermined, but not more frequently than annually.

4.06 NORMAL FORMS OF BENEFIT.

(a) If a Participant does not make a timely election not to receive payments pursuant to this subsection (a) and to receive payments pursuant to one of the optional forms of payment described in Section 5.01 below, and has an Eligible Spouse at the time payments under Section 4.01, 4.02, 4.03, or 4.04, above, commence, the benefits payable thereunder to the Participant shall be payable as a Qualified Joint and Survivor Annuity which shall be the Actuarial Equivalent of the retirement benefit set forth in the applicable Section. Any election by a Participant not to receive payments pursuant to this subsection (a) shall only be effective if the requirements contained in the last sentence of Section 5.01(f) have been satisfied.

(b) If a Participant does not make a timely election not to receive payments pursuant to this subsection (b) and to receive payments pursuant to one of the optional forms of benefits described

in Section 5.01 below, and does not have an Eligible Spouse at the time payments under Section 4.01, 4.02, 4.03, or 4.04, above, commence, the benefits payable thereunder to the Participant shall be payable as an annuity for the Participant's life ending on the first day of the month during which his death occurs.

4.07 QUALIFIED PRERETIREMENT SURVIVOR ANNUITY.

(a) Upon the death of a Participant:

(i) Who dies after he has satisfied the requirements for a benefit under Section 4.03, or after he has satisfied the Vesting Service requirements of Section 4.04, or Section 12.05 if applicable, and

(ii) Who has not commenced receiving benefit payments accrued under the Plan,

his Surviving Spouse shall be entitled to receive a "Qualified Preretirement Survivor Annuity."

(b)(i) A Qualified Preretirement Survivor Annuity payable to a Surviving Spouse shall be a survivor annuity for the life of the Surviving Spouse based upon the Participant's Accrued Benefit at his Severance Date (but reduced as provided below), payable at the following times:

(A) If the Participant shall have completed fifteen (15) years of Vesting Service at his Severance Date, and shall not have attained the age of sixty (60) years on or prior to the date of his death, then such Qualified Preretirement Survivor Annuity shall commence on the first day of the month following the date that would have been the Participant's sixtieth (60th) birthday if he had lived until that date; provided, however, his Surviving Spouse shall have the right to request that payment of such Qualified Preretirement Survivor Annuity be deferred until the first day of any month after the date that would have been the Participant's sixtieth (60th) birthday up to and including the first day of the month following the date that would have been the Participant's sixty-fifth (65th) birthday. Any such request must be delivered in writing to the Pension Administrative Committee at least thirty (30) days prior to the date selected for commencement of payment of such Qualified Preretirement Survivor Annuity. Any such request may be revoked by the Surviving Spouse by a subsequent written request delivered to the Pension Administrative Committee at least thirty (30) days prior to the date selected for commencement in the request to be revoked.

(B) If the Participant (i) is working past his Normal Retirement Date for an Employer as of the date of his death, or (ii) shall have completed fifteen (15)

years of Vesting Service at his Severance Date and shall have attained the age of sixty (60) years prior to the date of his death, then such Qualified Preretirement Survivor Annuity shall commence on the first day of the month following the date of his death; provided, however, that in the case of a Participant described in clause (ii), his Surviving Spouse shall have the right to request that payment of such Qualified Preretirement Survivor Annuity be deferred until the first day of any month after the date of the Participant's death up to and including the first day of the month following the date that would have been the Participant's sixty-fifth (65th) birthday. Any such deferral request shall be made and may be revoked pursuant to the procedures described in paragraph (A) next above.

(C) If the Participant (i) is not working past his Normal Retirement Date for an Employer, whether or not he has attained his Normal Retirement Date, as of the date of his death, and (ii) shall have completed at least five (5) but less than fifteen (15) years of Vesting Service at his Severance Date, then such Qualified Preretirement Survivor Annuity shall commence on the first day of the month following the later to occur of (i) the date of his death and (ii) the date that would have been his sixty-fifth (65th) birthday if he had lived until such date.

(ii) The amount of the Qualified Preretirement Survivor Annuity payable to a Surviving Spouse with respect to his benefit under the Plan shall be as follows:

(A) If the Participant shall have completed fifteen (15) years of Vesting Service at his Severance Date, and shall not have attained the age of sixty (60) years on or prior to the date of his death, then the amount of such Qualified Preretirement Survivor Annuity shall be determined as if the Participant had terminated employment on the date of his death, survived to his sixtieth (60th) birthday, Retired and commenced receiving his early retirement benefit pursuant to Section 4.03 in the form of a Qualified Joint and Survivor Annuity on his sixtieth (60th) birthday and died on the day after his sixtieth (60th) birthday; provided, however, that if the Surviving Spouse elects to defer payment of the Qualified Preretirement Survivor Annuity pursuant to subparagraph (b)(i)(A) of this section the amount of the Qualified Preretirement Survivor Annuity shall be determined as if the Participant had terminated employment on the date of his death, survived to the selected commencement date, Retired and commenced receiving a benefit in the form of a Qualified Joint and Survivor Annuity on the selected commencement date and died on the next day.

(B) If the Participant (i) is working past his Normal Retirement Date for an Employer as of the date of his death, or (ii) shall have completed fifteen (15) years of Vesting Service at his Severance Date and shall have attained the age of sixty (60) years prior to the date of his death, then the amount of such Qualified Preretirement Survivor Annuity shall be determined as if the Participant had Retired and commenced receiving a benefit in the form of a Qualified Joint and Survivor Annuity on the day before the date of his death; provided, however, that if the Surviving Spouse elects to defer payment of the Qualified Preretirement Survivor Annuity pursuant to subparagraph (b)(i)(B) of this section, the amount of the Qualified Preretirement Survivor Annuity shall be determined as if the Participant had terminated employment on the date of his death, survived to the selected commencement date, Retired and commenced receiving a benefit in the form of a Qualified Joint and Survivor Annuity on the selected commencement date and died on the next day.

(C) If the Participant (i) is not working past his Normal Retirement Date for an Employer, whether or not he has attained his Normal Retirement Date, as of the date of his death, and (ii) shall have completed at least five (5) but less than fifteen (15) years of Vesting Service then the amount of such Qualified Preretirement Survivor Annuity shall be determined as if the Participant had terminated employment on the date of his death, survived to his sixty-fifth (65th) birthday, Retired and commenced receiving a benefit in the form of a Qualified Joint and Survivor Annuity on his sixty-fifth (65th) birthday and had died on the day after his sixty-fifth (65th) birthday.

Notwithstanding any provision of this subsection (b) to the contrary, the benefit payable pursuant to this subsection (b) shall be based on the Participant's Accrued Benefit at his Severance Date.

(c)(i) The Qualified Preretirement Survivor Annuity payable to a Surviving Spouse pursuant to this Section shall be payable in equal monthly installments until and including the installment for the month in which the Surviving Spouse dies.

(ii) Notwithstanding the provisions of this Section 4.07, that portion of the Plan as in effect on December 31, 1983 that provided a benefit to the Surviving Spouse of a Participant who died prior to the commencement of his benefit shall apply in lieu of the provisions of this Section 4.07 with respect to (i) any Employee who died prior to August 23, 1984, or (ii) any Employee who did not receive credit for an Hour of Service on or after August 23, 1984; except with respect to any Employee who elected to be

covered by the provisions of this Section 4.07 pursuant to an opportunity provided in accordance with the Retirement Equity Act of 1984.

(iii) If a Participant shall die on or after the date of commencement of benefit payments to him under the Plan, payments shall be made to his Surviving Spouse or Beneficiary only in accordance with the form of payment specified in Section 4.06(a), or as elected by the Participant pursuant to Section 5.01, if applicable.

(iv) The amount of any Qualified Preretirement Survivor Annuity shall be reduced by one-half of one percent (0.5%) for each month by which the date payment of the Qualified Preretirement Survivor Annuity commences precedes the date the Participant would have attained the age of sixty-five (65) years.

4.08 DISABILITY BENEFITS. No benefits are provided under the Plan solely by virtue of a Participant's disability.

4.09 RE-EMPLOYMENT AFTER TERMINATION OF SERVICE.

(a) If a Participant who has Retired and commenced receiving a benefit is reemployed by an Employer after his Retirement, such benefit shall continue to be paid notwithstanding his reemployment.

(b) A Participant's benefit shall be suspended if he has commenced receiving a benefit under Section 4.04 by reason of a Severance Date other than Retirement and is reemployed for more than three consecutive months by an Employer prior to his Normal Retirement Date. In such event his benefit shall be suspended during such period of reemployment beginning with the month following his completion of three consecutive months of reemployment and up to his Normal Retirement Date (subject to additional suspension as provided below).

(c) A Participant's benefit shall be suspended on and after his Normal Retirement Date pursuant to subsection (d) if:

(i) He has commenced receiving a benefit under Section 4.04 by reason of a Severance Date other than Retirement and is reemployed by an Employer on or after his Normal Retirement Date for more than three consecutive months,

(ii) He has commenced receiving a benefit under Section 4.04 by reason of a Severance Date other than Retirement and is reemployed by an Employer before his Normal Retirement Date but continues in employment with an Employer after his Normal Retirement Date and such employment continues for more than three consecutive month, or

(iii) He continues in employment with an Employer beyond his Normal Retirement Date without a prior termination.

(d) In the case of a Participant described in subsection (c)(i), (c)(ii), or (c)(iii), with respect to whom the additional benefit accrued by reason of employment after his Normal Retirement Date is less than the adjustment that would have been made to the Participant's benefit if it had been increased to equal the Actuarial Equivalent of the benefit accrued for such Participant at his Normal Retirement Date, the Participant's benefit shall be suspended on and after his Normal Retirement Date only in accordance with the following provisions of this Section 4.09. Such provisions shall become applicable to him as of the latest of (i) his Normal Retirement Date, (ii) the first day of the month following his completion of three consecutive months of reemployment, or (iii) the date as of which such additional accrual is less than such adjustment.

(i) For purposes of this Section, the following definitions shall apply:

(A) "Post-Retirement Date Service" means each calendar month of employment of a Participant with an Employer after the Participant's Normal Retirement Date and subsequent to the time that:

(1) payment of a Vested Benefit commenced to the Participant under Section 4.04 if he returned to employment, or

(2) payment of a benefit would have commenced to him if he had not remained in employment,

if in either case the Participant completes forty (40) or more Hours of Service in such calendar month. The determination of the Employee's Employer with respect to whether an Employee is performing Post-Retirement Date Service shall be based on a reasonable and good faith evaluation of the facts, and shall be conclusive and binding.

(B) "Suspendable Amount" means:

(1) in the case of a benefit payable periodically on a monthly basis for as long as a life (or lives) continues, the monthly benefit otherwise payable in a calendar month in which the Participant is engaged in Post-Retirement Date Service,

(2) in the case of a benefit payable other than in the form described in clause (1) above, the lesser of (a) the amount of such benefit that would have been payable to the Participant if he

had been receiving monthly benefits under the Plan since actual retirement based on a single life annuity commencing at his actual retirement date; or (b) the actual amount paid or scheduled to be paid to the Participant for such month. Payments which are scheduled to be paid less frequently than monthly may be converted to monthly payments for purposes of this clause (b).

(ii) Payment shall be permanently withheld of a portion of a Participant's benefit, not in excess of the Suspendable Amount, for each calendar month described in the first two sentences of this subsection (d) during which the Participant is employed in Post-Retirement Date Service.

(iii) If payments have been suspended pursuant to subsection (d)(ii) above, such payments shall resume no later than the first day of the third calendar month after the calendar month in which the Participant ceases to be employed in Post-Retirement Date Service; provided, however, that no payments shall resume until the Participant has complied with the requirements set forth in subsection (d)(vi) below. The initial payment upon resumption shall include the payment scheduled to occur in the calendar month in which payments resume and any amounts withheld during the period between the cessation of Post-Retirement Date Service and the resumption of payment, less any amounts which are subject to offset pursuant to subsection (d)(iv) below.

(iv) Benefit payments made subsequent to Post-Retirement Date Service shall be reduced (A) by the Actuarial Equivalent of any benefits paid to the Participant prior to the time he is reemployed by an Employer after his Normal Retirement Date (such reduction will occur only if such benefits are not repaid in full to the Trust before the earlier of five years after the first date on which the Participant is subsequently reemployed by an Employer, or the close of the first period of five consecutive one-year Breaks in Service commencing after the payment of such benefits; and (B) by the amount of any payments previously made during those calendar months in which the Participant was engaged in Post-Retirement Date Service; provided, however, that such reduction under (B) shall not exceed in any one month, twenty-five (25) percent of that month's total benefit payment (excluding amounts described in subsection (d)(iii) above) which would have been due but for the offset.

(v) Any Participant whose benefit payments are suspended pursuant to subsection (d)(ii) above, shall be notified (by personal delivery or certified mail) during the first calendar month in which payments are withheld, that his benefits are suspended. Such notification shall include: (A) a description of the specific reasons for the suspension of payments; (B) a general description of the

Plan provisions relating to the suspension; (C) a copy of the provisions; (D) a statement to the effect that applicable Department of Labor regulations may be found at Section 2530.203-3 of the Code of Federal Regulations; (E) the procedure for appealing the suspension, which procedure shall be governed by Section 7.06; and (F) the procedure for filing a benefits resumption notification pursuant to subsection (d)(vi) below. If payments subsequent to the suspension are to be reduced by an offset pursuant to subsection (d)(iv) above, the notification shall specifically identify the periods of employment for which the amounts to be offset were paid, the Suspendable Amounts subject to offset, and the manner in which the Plan intends to offset such Suspendable Amounts.

If the Summary Plan Description ("SPD") for the Plan contains information that is substantially the same as information required pursuant to this subsection (d)(v), the notification required by this subsection (d)(v) may refer the Participant to the relevant pages of the SPD. If the notification refers to the SPD, the notification shall also inform the Participant how to obtain a copy of the SPD, or relevant pages thereof, and any request for the referenced information shall be honored within thirty (30) days of the receipt by the Participant's Employer of such request.

(vi) Payments shall not resume as set forth in subsection (d)(iii) above until a Participant performing Post-Retirement Date Service notifies his Employer in writing of the cessation of such Service and supplies such Employer with such proof of the cessation as such Employer may reasonably require.

(vii) A Participant may request, pursuant to the procedure contained in Section 7.06, a determination whether specific contemplated employment will constitute Post-Retirement Date Service.

(e) In the case of a Participant covered by subsection (b), (c)(i), or (c)(ii), above, the monthly benefit of such Participant commencing by reason of his subsequent Severance Date (including Retirement) shall be redetermined in accordance with the Plan. The Vesting Service and Credited Service of such Participant for purposes of such redetermination shall include the Vesting Service and Credited Service which entitled him to a benefit by reason of such prior Severance Date as well as all subsequent Vesting Service and Credited Service (as limited by subsection 4.01(e) above). The monthly benefit amount as so redetermined shall be adjusted, however, so that the Actuarial Equivalent of the sum of the benefit amounts already paid by reason of such prior Severance Date and such redetermined benefit will equal the greater of the amount of such redetermined benefit or the amount of the benefit that would have been payable from such new Severance Date by reason of such prior termination of service.

4.10 FORFEITURES. If upon his Severance Date a Participant (or his Beneficiary) does not become entitled to any benefit under this Plan other than the Accrued Benefit attributable to his own contributions, if any, his Accrued Benefit as of such Severance Date attributable to Employer contributions shall be deemed a Forfeiture and shall be used to reduce Employer contributions; PROVIDED, HOWEVER, that except as expressly provided in Sections 7.05 and 7.07 below, a Participant's Accrued Benefit under this Plan shall become nonforfeitable after he attains his Normal Retirement Date or completes five (5) years of Vesting Service, whichever occurs first. In no event shall any Forfeitures of benefits hereunder for any reason be applied to increase the benefits any Participant or Beneficiary would otherwise receive under this Plan.

4.11 RIGHTS FIXED AT SEVERANCE DATE. All rights and benefits provided under this Plan for a Participant or the Beneficiary of a Participant are determined under the terms and provisions of the Plan as they exist on the Participant's Severance Date and such rights and benefits, as so determined, shall become fixed and shall not be changed by any amendment to the Plan effective after such Severance Date. Benefits shall not be decreased due to subsequent increases in social security benefits.

4.12 RETURN OF PARTICIPANT'S CONTRIBUTIONS AND INTEREST. None of the Participant, his Spouse, or his Beneficiary, may at any time elect a return of such Participant's contributions to the Plan and/or Credited Interest thereon. However, upon the death of the Participant and his Spouse or other Beneficiary, if any, designated under the form of payment applicable with respect to the Participant under Sections 4.06 and 5.01, the excess, if any, of the amount of such contributions and Credited Interest over the aggregate payments made to the Participant and/or his Spouse or other Beneficiary shall be paid in cash, as soon as practicable, to his designated Beneficiary, or if none, then pursuant to Section 5.03, in a lump sum.

4.13 MAXIMUM BENEFIT. (a) Notwithstanding any other provision of the Plan, in no event may a Participant's annual retirement income attributable to Employer contributions exceed the equivalent, determined in accordance with subsection (f) below and with rules determined by the Commissioner of the Internal Revenue Service pursuant to Code Section 415, of a straight life annuity payment equal to the lesser of:

(i) $118,800, or such other amount as may hereafter be set forth in Section 415 of the Code or determined by Treasury regulations issued pursuant to Section 415(d) of the Code; or

(ii) one hundred percent (100%) of the Participant's average annual compensation over the three consecutive calendar years during which he had the greatest aggregate compensation from all Employers, increased to reflect cost of living adjustments determined by Treasury regulations issued pursuant to Section 415 of the Code;

(iii) if the Participant has fewer than ten (10) years of participation in the Plan, the amount determined under the provisions of clause (i) above multiplied by a fraction, the numerator of which is the Participant's number of years of participation (or part thereof) and the denominator of which is ten (10); provided, however, that such product shall not be less than one-tenth of the amount determined under clause (i); and

(iv) if the Participant has fewer than ten (10) years of service with all Employers, the amount determined under the provisions of clause (ii) above multiplied by a fraction, the numerator of which is the Participant's number of years of service with all Employers (or part thereof) and the denominator of which is ten (10); provided, however, that such product shall not be less than one-tenth of the amount determined under clause (ii).

(b) The maximum benefit permitted under subsection (a) above shall be in the form of a straight life annuity (with no ancillary benefits) under a plan to which employees do not contribute and under which no rollover contributions are made.

(c) Notwithstanding the foregoing provisions of this Section 4.13, a retirement income payable with respect to the Plan shall not be deemed to exceed the limitation of this Section 4.13 in a Plan Year if the retirement income derived from Employer contributions payable with respect to the Participant under this Plan and all other defined benefit plans of any Employer do not in the aggregate exceed $10,000 for such Plan Year. The provisions of this subsection (c) shall not apply with respect to any Participant if an Employer has at any time maintained a defined contribution plan in which the Participant participated. If the Participant has fewer than ten (10) years of service with all Employers, the $10,000 amount referred to above shall be multiplied by a fraction, the numerator of which is the Participant's number of years of service with all Employers (or part thereof) and the denominator of which is ten (10); provided, however, that the resulting product shall not be less than $1,000.

(d) Participant contributions will be treated as a separate defined contribution plan maintained by the Company which is subject to the limitations on contributions and other additions described in Treasury Regulation Section 1.415-6.

(e) If the amount contained in subsection (a)(i) above is increased pursuant to Treasury regulations issued under Section 415(d) of the Code, such increase shall be effective as of January 1 of the calendar year for which such Treasury regulations were effective and shall apply with respect to Limitation Years ending with or within that calendar year.

(f) For purposes of this Section 4.13:

(i) If the retirement income under the Plan is payable in any form other than a straight life annuity, the deter-

mination as to whether the limitation described in sub-section (a) above has been satisfied shall be made in accordance with regulations prescribed by the Secretary of the Treasury, by adjusting such benefit so that it is the equivalent to the benefit described in such subsection (a). For purposes of this subsection (f)(i), any ancillary benefit which is not directly related to retirement income benefits shall not be taken into account and that portion of any joint and survivor annuity which constitutes a Qualified Joint and Survivor Annuity shall not be taken into account.

(ii) If the retirement income under the Plan begins before the Social Security Age, the determination as to whether the dollar limitation set forth in subsection (a) has been satisfied shall be made in the case of a retirement income commencing on or after age 62, in accordance with regulations prescribed by the Secretary of the Treasury, by adjusting such income so that it is equivalent to a benefit beginning at the Social Security Retirement Age. In the case of a retirement income commencing prior to age 62, such determination shall be made (A) by reducing such retirement income for the period between the Social Security Retirement Age and age 62 in accordance with the procedure described in the preceding sentence, and (B) by further reducing such retirement income to its Actuarial Equivalent for the period between age 62 and the date payment commences. The reduction under this subsection (f)(ii) shall be made in such manner as the Secretary of the Treasury may prescribe that is consistent with the reduction for old-age insurance benefits commencing before the Social Security Retirement Age under the Social Security Act.

(iii) If the retirement income under the Plan begins after the Social Security Age, the determination as to whether the dollar limitation set forth in subsection (a) has been satisfied shall be made, in accordance with regulations prescribed by the Secretary of the Treasury, by adjusting such benefit so that it is equivalent to such a benefit beginning at the Social Security Age.

(iv)(A) For purposes of adjusting any benefit under subsection (f)(i) above, the interest rate assumption shall be the greater of five (5) percent or the rate specified in Section 5.05 below.

(B) For purposes of adjusting any benefit under subsection (f)(ii) above, the interest rate assumption shall be the greater of five (5) percent or the rate utilized in reducing the amount of retirement income payable to a Participant on account of commencement prior to such Participant's Normal Retirement Date under Section 4.03 above.

(C) For purposes of adjusting any benefit under subsection (f)(iii) above, the interest rate assumption shall be five (5) percent.

(g) In the event that any Participant under this Plan is also a Participant in a defined contribution plan or plans (as defined in Section 415 of the Code) maintained by an Employer, the sum of the defined benefit plan fraction and the defined contribution plan fraction for any Limitation Year with respect to such Participant shall not exceed one (1.0). If such sum exceeds one (1.0) and the annual additions (as defined in Code Section 415(c)(2)) for such Participant to such defined contribution plan or plans are not reduced to obtain compliance with Code Section 415(e), then the Participant's retirement income under this Plan shall be reduced to obtain such compliance.

(h)(i) The total annual benefit payable to a Participant under all qualified plans maintained by his Participating Employer will not exceed the limits under Section 415 of the Code as set forth in subsection (a) above.

(ii) For purposes of the limitations imposed by this Section 4.13, a defined benefit plan or defined contribution plan shall be treated as maintained by a Participating Employer if the plan is maintained by any employer that is, along with such Participating Employer, a member of a controlled group of corporations or under common control with such Employer (as defined in Section 414(b) and (c) of the Code, as modified by Section 415(h) thereof) or a member of an affiliated service group (as defined in Section 414(m) of the Code).

(i) For purposes of this Section 4.13, the term "Limitation Year" means the period to be used in determining the Plan's compliance with Section 415 of the Code and the regulations thereunder. The Company shall take all actions to ensure that the Limitation Year is the same period as the Plan Year.

(j) For purposes of this Section 4.13:

(1) "compensation" shall mean wages, salaries, fees for professional services actually rendered in the course of employment with an Employer (including, but not limited to commissions paid salesmen, compensation for services on the basis of a percentage of profits, tips and bonuses); shall include all compensation actually paid or made available to a Participant; shall include any other items or amounts paid to or for the benefit of a Participant that is currently includible in the Participant's gross income, and shall not include contributions made by an Employer to a plan of deferred compensation to the extent that, before the application of Section 415 of the Code to the Plan, the contributions are not includable in the gross income of

the Participant for the taxable year in which contributed. In no event shall the compensation of a Participant taken into account under the Plan for any year exceed $150,000 (or such greater amount provided pursuant to Section 401(a)(17) of the Code);

(2) "defined benefit plan fraction" for any Limitation Year for a Participant means a fraction, the numerator of which is the projected annual benefit of the Participant under all defined benefit plans maintained by the Company and all Affiliated Companies, determined as of the close of the Limitation Year, and the denominator of which is the lesser of (A) the product of 1.25, and the dollar limitation in effect under Section 415(b)(1)(A) of the Code for such Limitation Year, or (B) the product of 1.4 and the amount determined under subsection (a)(ii) of Sub-section 4.13 hereof for such Limitation Year;

(3) "defined contribution plan fraction" for any Limitation Year for any Participant is a fraction, the numerator of which is the sum of the annual additions to the Participant's accounts under all defined contribution plans maintained by the Company and all Affiliated Companies as of the close of the Limitation Year, and the denominator of which is the sum of the lesser of the following amounts determined for such Limitation Year and for each prior year of service with the Company or an Affiliated Company: (A) the product of 1.25 and the dollar limitation in effect under Section 415(c)(1)(A) of the Code for such Year (deter-mined without regard to Section 415(c)(6) of the Code), and (B) the product of 1.4 and the amount which may be taken into account under Section 415(c)(1)(B) of the Code with respect to such Participant for such Limitation Year; and

(4) "Social Security Retirement Age" means the age used as the retirement age for a Participant under Section 216(l) of the Social Security Act, except that such section shall be applied (i) without regard to the age increase factor, and (ii) as if the early retirement age under Section 216(l)(2) of that Act were sixty-two (62).

(k) Notwithstanding any provision of this Section 4.13 to the contrary, in the case of any benefit payable to or with respect to any person who was a Participant in the Plan before January 1, 1983, (1) the Pension Administrative Committee may elect to apply the transition rules set forth in Sections 235(d) and 235(g)(3) of the Tax Equity and Fiscal Responsibility Act of 1982, and (2) the limitations of this Section shall be adjusted as necessary in accordance with the provisions of Section 235(g)(4) of that Act.

Notwithstanding any provisions of this Section 4.13 to the contrary, in the case of any benefit payable to or with respect to any

person who was a Participant in the Plan before January 1, 1987, the limitations of this Section shall be adjusted, as necessary, in accordance with the provisions of Section 1106(g)(3) of the Tax Reform Act of 1986.

4.14 CERTAIN CASH OUTS AND REPAYMENTS. (a) If, following a Participant's Severance Date and prior to the commencement of his monthly benefit payment, (i) the monthly benefit payment payable hereunder to such Participant, or to his Spouse or Beneficiary, shall fall below $100 and (ii) the Actuarial Equivalent of the entire nonforfeitable benefit to which he is entitled is not in excess of $2000, the Pension Administrative Committee shall distribute to such Participant, Spouse or Beneficiary the Actuarial Equivalent of the entire nonforfeitable benefit to which such person is entitled in a lump sum as soon as administratively feasible after such Severance Date. If such Participant is reemployed by a Participating Employer and again becomes a Participant in this Plan, the Credited Service with respect to which such distributed benefit was determined shall be disregarded unless such Participant repays to the Fund the entire amount of such distribution, plus Credited Interest thereon, before the earlier of five years after the first date on which the Participant is subsequently reemployed by an Employer, or the close of the first period of five consecutive one-year Breaks in Service, commencing after the distribution. For purposes of this Section 4.14, the Actuarial Equivalent of a benefit to which a Participant, Spouse or Beneficiary is entitled shall be:

(1) the Actuarial Equivalent of the benefit payable at an Early Retirement Date pursuant to Section 4.03, in the case of a Participant, Spouse or Beneficiary who is entitled to such benefit; or

(2) the Actuarial Equivalent of the Normal Retirement Benefit payable pursuant to Section 4.01 with respect to a Participant, Spouse or Beneficiary who is not described in clause 1 above.

(b) A lump sum benefit that is the Actuarial Equivalent of zero dollars shall be deemed to be paid to a Participant whose Severance Date or death occurs before he completes five (5) years of Vesting Service, and before he attains his Normal Retirement Date.

(c) This subsection (c) applies to distributions made pursuant to this Section 4.14 on or after January 1, 1993. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a Distributee's election under this subsection, a Distributee may elect, at the time and in the manner prescribed by the Pension Administrative Committee, to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the Distributee in a Direct Rollover.

(i) Definitions.

(A) "Eligible Rollover Distribution" is any distribution pursuant to this Section 4.14 of all or any

portion of the balance to the credit of the Distributee, except that an Eligible Rollover Distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's designated beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Section 401(a)(9) of the Code; and the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities).

(B) "Eligible Retirement Plan" is an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, an annuity plan described in Section 403(a) of the Code, or a qualified trust described in Section 401(a) of the Code, that accepts the Distributee's Eligible Rollover Distribution. However, in the case of an Eligible Rollover Distribution to a Surviving Spouse, an Eligible Retirement Plan is an individual retirement account or individual retirement annuity.

(C) "Distributee" includes an Employee or former Employee. In addition, the Employee's or former Employee's Surviving Spouse, and the Employee's or former Employee's Spouse or former Spouse who is the alternate payee under a qualified domestic relations order as defined in Section 414(p) of the Code, are Distributees with regard to the interest of the Surviving Spouse, Spouse or former Spouse.

4.15 AUTHORIZED DEDUCTIONS. Notwithstanding anything to the contrary contained herein, if a Participant who has commenced receiving benefit payments hereunder or a Surviving Spouse or Beneficiary of a deceased Participant (1) elects to join, or to continue in, a medical or life insurance program provided by the Company, and (2) authorizes the deduction of the amount to be paid by him under any such program from the benefit payable to him pursuant to the Plan, the Pension Administrative Committee may direct the Trustee to deduct such amount (as from time to time certified to the Trustee by the Pension Administrative Committee) from the benefit payable to such Participant Surviving Spouse, or Beneficiary pursuant to the Plan and to pay such amount directly to the Company; provided, however, that no deduction shall be made until the Company files a written acknowledgement with the Pension Administrative Committee that satisfies the requirements of Treasury Regulations section 1.401(a)-13(e)(2), and no deduction shall be made after such Participant, Surviving Spouse or Beneficiary shall have revoked his authorization of such deduction.

ARTICLE V

OPTIONAL FORMS OF PENSION

5.01 ELECTION OF OPTION. (a) In lieu of the amount and method of payment of a monthly benefit payable under Section 4.06, and subject to the provisions of this Section 5.01, a Participant may elect by written request (which may be an original request or a revocation or an amendment of a prior request) to receive payment of the Actuarial Equivalent of such benefit in accordance with such of the following options as he may elect with the consent of his Eligible Spouse if applicable:

(i) STRAIGHT LIFE ANNUITY. A monthly benefit payable to a Participant for his lifetime;

(ii) TEN-YEARS CERTAIN. A monthly benefit of a smaller amount, payable to the Participant for his lifetime and, in the event of the Participant's death before the end of a 10-year period commencing with the date on which payments commenced, the same benefit amount shall be payable to the Beneficiary designated by the Participant in a writing filed with the Pension Administrative Committee before his death for the remainder of such period; or

(iii) JOINT-AND-SURVIVOR. A monthly benefit payable to the Participant for the joint lives of the Participant and his Eligible Spouse and thereafter to the Eligible Spouse if such Spouse survives the Participant in an amount equal to 100% of the amount payable during their joint lives.

(b) The value of the single-sum Actuarial Equivalent of any benefit payable under the Plan to a Participant (other than a Qualified Joint and Survivor Annuity) shall be greater than the value of the single-sum Actuarial Equivalent of the benefit, if any, payable to his Beneficiary or Eligible Spouse, computed at the date of his Retirement.

(c) Within a reasonable time prior to the first to occur of the commencement of benefit payments to a Participant, and the Participant's Normal Retirement Date, and again within a reasonable time prior to the commencement of benefit payments to a Participant who Retires on a Postponed Retirement Date, the Pension Administrative Committee shall give such Participant written notice, in nontechnical terms, of his right to elect not to receive benefits pursuant to Section 4.06 above and of his right to make an election of an optional form of payment of such benefits pursuant to subsection (a) above. Such notice shall include a description of (i) the terms and conditions of the normal form of benefit under Section 4.06, (ii) the Participant's right to make and the effect of an election to waive such form, (iii) the rights of the Participant's Eligible Spouse, if any, not to consent to such election, (iv) the right to make, and the effect of, a revocation of such an election, (v) the optional forms of

payment available under subsection (a) above, and (vi) the right to request an estimate of the financial effect upon the Participant's pension benefits of waiving the form of benefit available under Section 4.06 above and electing one of the optional forms of payment under subsection (a) above.

(d) The elections provided in Section 4.06 and subsections (a) above may be made by the Participant by giving a written notice of election to the Pension Administrative Committee at any time during the Election Period consisting of the ninety (90) day period ending either on the date benefit payments commence or on his Normal Retirement Date, as applicable. Any election provided in Section 4.06 and subsection (a) above may be modified or revoked at any time before the date benefit payments commence and, except as otherwise provided in Section 5.02, shall be automatically revoked if the Participant dies before commencement of payment of his benefits to him.

(e) If a Participant makes a request for additional information pursuant to subsection (c) above with respect to the elections provided in Section 4.06 or subsection (a) above on or before the last day of the Election Period, the Election Period shall be extended to the extent necessary to include at least the ninety (90) calendar days immediately following the day the additional requested information is personally delivered or mailed to the Participant.

(f) Any election by a Participant not to receive benefits in the normal form set forth in Section 4.06 shall not take effect unless such Participant's Eligible Spouse irrevocably consents in writing to such election, such consent acknowledges the effect of such election and such consent is witnessed by a representative of the Plan or a notary public, unless the Participant establishes to the satisfaction of the Pension Administrative Committee that such consent may not be obtained because there is no Eligible Spouse, the Eligible Spouse cannot be located, or because of such other circumstances as the Secretary of the Treasury may by regulations prescribe. If a Participant who has an Eligible Spouse elects to have benefits paid to a Beneficiary other than such Eligible Spouse, the consent by such Eligible Spouse required under this subsection (f) must acknowledge the specific Beneficiary. In such event, the Participant may not subsequently change Beneficiaries without the consent of his Eligible Spouse. Any consent by an Eligible Spouse shall be irrevocable. Any consent by an Eligible Spouse, or establishment that the consent of an Eligible Spouse may not be obtained, under this subsection, shall be effective only with respect to such Eligible Spouse.

5.02 DEATH OF PARTICIPANT BEFORE BENEFIT COMMENCEMENT. If a Participant who has elected option (ii) or option (iii) under Section 5.01(a) above shall die prior to his Normal Retirement Date and prior to the date of commencement of payment pursuant to such option, no death benefit will be payable under such option to his Beneficiary (provided that nothing in this sentence shall be construed as limiting any death benefit payable pursuant to Section 4.07 above). If a Participant who has elected option (i), (ii) or (iii) under

Section 5.01(a) above shall die after his Normal Retirement Date but before actual Retirement, and such Participant is survived by a Surviving Spouse, the election of such option shall automatically be revoked. If a Participant described in the preceding sentence is not survived by a Surviving Spouse, a death benefit, if any, shall be payable to his Beneficiary under such option as if he had retired at the end of the calendar month next preceding the date of his death.

5.03 PAYMENTS UNDER OPTION (II). A Participant who has elected option (ii) under Section 5.01(a) above may change his designation of Beneficiary at any time before his death; but if no Beneficiary has been designated or if the Beneficiary does not survive the Participant, the Actuarial Equivalent of the remaining monthly benefit amounts due under said option (ii) shall be paid to the estate of such Participant in a lump sum. If the Beneficiary of an option (ii) election by a Participant shall die subsequent to such Beneficiary's becoming entitled to payments hereunder and no successor Beneficiary shall have been properly designated by such Participant, Actuarial Equivalent of the remaining monthly benefit amounts due thereunder shall be paid to the estate of such deceased Beneficiary in a lump sum.

5.04 PAYMENTS UNDER OPTION (III). If the Participant has elected option (iii) under Section 5.01(a) and his Eligible Spouse shall die before the date on which payment of the Participant's benefit commences, the option so elected will be automatically cancelled and the monthly benefit payable to such Participant hereunder will be made as though the election of the option had not been made, except that Participant may again elect an optional form of benefit in accordance with Section 5.01(a) above.

5.05 ACTUARIAL EQUIVALENCE. Actuarial Equivalence of optional forms of benefit to the normal form, where no other particular assumptions are required by ERISA or other applicable law or regulations thereunder, shall be determined on the basis of the adjustment factors specified in: Exhibit E (joint and 50% survivor), Exhibit F (joint and 100% survivor), or Exhibit G (life with ten years certain), to this Plan, whichever is appropriate. For purposes of determining lump sum equivalents, the interest rate used shall be (a) the interest that would be used (as of the first day of the applicable Plan Year) by the Pension Benefit Guaranty Corporation for purposes of determining the present value of a lump sum distribution on plan termination if the Participant's vested Accrued Benefit (using such rate) does not exceed $25,000, or (b) 120% of such Pension Benefit Guaranty Corporation rate if the Participant's vested Accrued Benefit exceeds $25,000 (as determined under clause (a)). In no event, however, shall the present value determined under clause (b) be less than $25,000. For purposes of determining lump sum equivalents, the mortality rate used shall be that set forth in the 1984 Unisex Pension Table (set one year forward for males, four years backwards for females, with 75% male/25% female blended annuities). Notwithstanding the foregoing, for purposes of determining the Actuarial Equivalent of a benefit accrued for a Participant at his Normal Retirement Date under Section 4.09(d)(iv) and 4.09(e), an interest rate of 5% shall be used. For purposes of Plan funding, the Actuary shall retain the

right to modify the actuarial assumptions as needed to enable certification of Plan costs on a reasonable and appropriate basis. Notwithstanding the foregoing, in no event shall this Section 5.05 be applied to reduce the Accrued Benefit of any Participant below the Accrued Benefit to which he was entitled on the date as of which this Section was incorporated into the Plan or the effective date of any amendment to this Section, based on his Credited Service and Covered and Excess Compensation (as defined in Article II on such date) to such date, and on the terms of the Plan as in effect immediately prior to such date.

5.06 OTHER BENEFITS. This Plan provides for no benefits payable in the event of death, dismissal, resignation or other termination of employment of a Participant except as specifically set forth in Articles IV and V hereof, and except upon termination of this Plan as set forth in Article XI below, and Participants and their Surviving Spouses and Beneficiaries shall be entitled to only the benefits expressly provided for in the Plan.

ARTICLE VI

CONTRIBUTIONS

6.01 COMPANY CONTRIBUTIONS. For each Plan Year during the continuance of the Plan, the Company shall pay the entire cost of the Plan with respect to Participants in its employment, and in the employment of other Participating Employers, and their Spouses and Beneficiaries; and intends, but does not guarantee, to contribute to the Fund an amount which will, as shown on the annual report of the Plan's Actuary, meet the minimum funding standards of Section 412 of the Code and Sections 302 through 306 of ERISA and the regulations thereunder. All Company contributions to the Plan are conditioned upon the qualification of the Plan under Section 401(a) of the Code and upon the deductibility of the contribution under Section 404 of the Code.

6.02 EMPLOYEE CONTRIBUTIONS. After December 31, 1972, the Participants are neither required nor permitted to make contributions to the Fund under the Plan.

ARTICLE VII

MISCELLANEOUS PROVISIONS RESPECTING PARTICIPANTS

7.01 INFORMATION FROM PARTICIPANTS. Participants shall furnish to the Pension Administrative Committee such information as it considers necessary or desirable for the purpose of administering the Plan. If such information is not submitted or shows that such information previously has been misstated on the records of the Plan, the Pension Administrative Committee will make such corrections and

adjustments for the purposes of the Plan in accordance with the available facts as it considers appropriate.

7.02 EMPLOYER RECORDS CONTROLLING. The regularly kept records of each Employer shall be conclusive and binding upon all persons with respect to the nature and length of employment, the type and amount of compensation paid and the manner of payment thereof, the type and length of absence from work and all other matters contained therein relating to Employees of such Employer.

7.03 SPENDTHRIFT CLAUSE. (a) Except as provided in subsection (b) below, or Section 8.07 of the Plan, benefit amounts payable under the Plan to a Participant, a Spouse, or a Beneficiary (except a minor or person under legal disability), shall be made only to him and upon his personal receipt; and no benefit payable under the provisions of this Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, and any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber or charge shall be void; nor shall the Fund or any part thereof be in any manner liable for or subject to the debts, contracts, liabilities, engagements or torts of the person entitled to any benefit payment.

(b) Notwithstanding the provisions of subsection (a) above, all or any part of the Accrued Benefit of a Participant shall be subject to and payable in accordance with the applicable requirements of any Qualified Domestic Relations Order, as that term is defined in Section 206(d)(3) of ERISA, and the Pension Administrative Committee shall direct the Trustees to provide for payment in accordance with such Order and Section and any regulations promulgated under such Section. All such payments pursuant to Qualified Domestic Relations Orders shall be subject to reasonable rules and regulations promulgated by the Pension Administrative Committee; provided that such rules and regulations are consistent with such Section. If prior to the commencement of payment to or with respect to a Participant of any benefit hereunder, any amount of his Accrued Benefit is paid to an alternate payee or payees pursuant to a Qualified Domestic Relations Order, the amount of his Accrued Benefit shall be reduced by the Actuarial Equivalent of any such payment.

7.04 NOT EMPLOYMENT CONTRACT. Nothing contained in this Plan shall be construed as a contract of employment between any Employer and any Employee, or as giving the right to any Employee to be continued in the employment of such Employer or as a limitation of the right of any Employer to discharge any Employee at any time with or without cause.

7.05 FAILURE TO MAINTAIN CONTACT. Each person entitled to benefits under this Plan shall file with the Pension Administrative Committee from time to time in writing his complete mailing address and each change of mailing address. Any check representing payment hereunder and any communication addressed to a Participant or to any other person at his last address so filed, or if no such address has been filed then at his last address indicated on the records of the Employer, shall be deemed to have been received by such person for all

purposes of the Plan; and neither the Pension Administrative Committee, nor the Employer, nor the Trustees, shall be obliged to search for or ascertain the location of any such person. If a check representing payment of benefits hereunder to a Participant (or a Surviving Spouse or Beneficiary) is returned unclaimed to the Pension Administrative Committee and such benefits remain unclaimed for two years, the benefits of the Participant (or Surviving Spouse or Beneficiary) shall be deemed forfeited; PROVIDED, HOWEVER, that if at any time thereafter the Participant (or Surviving Spouse or Beneficiary) makes a claim for such benefits, such benefits shall be reinstated and may be paid as an expense of the Plan.

7.06 CLAIMS. No claim or application for benefits is required for commencement of benefits under this Plan. Any claim for benefits which are not received shall be made in writing to the Pension Administrative Committee. In the event a claim for benefits is wholly or partially denied by the Pension Administrative Committee, the Pension Administrative Committee shall, within a reasonable period of time, but no later than ninety (90) days after receipt of the claim, notify the claimant in writing of the denial of the claim. If the claimant shall not be notified in writing of the denial of the claim within ninety (90) days after it is received by the Pension Administrative Committee, the claim shall be deemed denied. A notice of denial shall be written in a manner calculated to be understood by the claimant, and shall contain (a) the specific reason or reasons for denial of the claim, (b) a specific reference to the pertinent Plan provisions upon which the denial is based, (c) a description of any additional material or information necessary for the claimant to perfect the claim, together with an explanation of why such material or information is necessary, and (d) an explanation of the Plan's review procedure. Within sixty (60) days of the receipt by the claimant of the written notice of denial of the claim, or within sixty (60) days after the claim is deemed denied as set forth above, if applicable, the claimant may file a written request with the Pension Administrative Committee that it conduct a full and fair review of the denial of the claimant's claim for benefits, including the conducting of a hearing, if deemed necessary by the Pension Administrative Committee. In connection with the claimant's appeal of the denial of his benefit, the claimant may review pertinent documents and may submit issues and comments in writing. The Pension Administrative Committee shall render a decision on the claim appeal promptly, but not later than sixty (60) days after the receipt of the claimant's request for review, unless special circumstances (such as the need to hold a hearing, if necessary) require an extension of time for processing, in which case the sixty (60) day period may be extended to one hundred and twenty (120) days. The Pension Administrative Committee shall notify the claimant in writing of any such extension. The decision upon review shall (i) include specific reasons for the decision, (ii) be written in a manner calculated to be understood by the claimant and (iii) contain specific references to the pertinent Plan provisions upon which the decision is based.

7.07 SPECIAL BENEFIT LIMITATIONS. To prevent discrimination in favor of Highly Compensated Participants, the

provisions of this Section 7.07 shall be applicable notwithstanding anything elsewhere contained in the Plan to the contrary.

(a) In this Section, the following terms shall have the meaning stated below:

1. "Accrued Benefit" shall have the meaning such forth in Article II.

2. "Actuarial Equivalent" shall have the meaning set forth in Article II.

3. "Benefit" shall include among other benefits under the Plan, loans in excess of the amounts set forth in Section 72(p)(2)(A) of the Code, any periodic income, any withdrawal values payable to a living Employee or former Employee and any death benefits under the Plan not provided for by insurance on the Employee's or former Employee's life.

4. "Covered Compensation" shall have the meaning set forth in Article II.

5. "Current Liabilities" shall have the meaning set forth in Section 412(1)(7) of the Code.

6. "Highly Compensated Participant" shall mean a Participant who, during the current Plan Year or the preceding Plan Year, (a) was at any time a 5% owner of the Company or any Employer, (b) received Covered Compensation from the Company or any Employer in excess of $75,000 (or such greater amount provided by the Secretary of the Treasury pursuant to Section 414(q) of the Code), (c) received Covered Compensation from the Company or any Employer in excess of $50,000 (or such greater amount provided by the Secretary of the Treasury pursuant to Section 414(q) of the Code) and was in the top paid group of Employees for such Plan Year, or (d) was at any time an officer of the Company or any Employer and received Covered Compensation from the Company or any Employer greater than 50% of the amount in effect under Section 415(b)(1)(A) of the Code for such Plan Year. The provisions of Section 414(q) of the Code shall apply in determining whether a Participant is a Highly Compensated Participant. The Company for any Plan Year may elect to identify Highly Compensated Participants based upon the current Plan Year to the extent permitted by Section 414(q) of the Code and regulations issued thereunder.

7. "Social Security Supplement" shall have the meaning set forth in Internal Revenue Service Regulation Section 1.411(a)-7(c)(4)(ii).

(b) LIMITATIONS.

1. In the event of termination of the Plan, the Benefit of any Highly Compensated Participant (and any former Highly Compensated Participant) is limited to a Benefit that is nondiscriminatory under Section 401(a)(4) of the Code.

2. In any Plan Year, the payments under the Plan to or on behalf of any Employee described in paragraph (c) shall not exceed an amount equal to the payments that would be made to or on behalf of the Employee in that Plan Year under:

(A) A straight life annuity that is the Actuarial Equivalent of the Accrued Benefit and other Benefits to which the Employee is entitled under the Plan (other than a Social Security Supplement), and

(B) The amount of the payments that the Employee is entitled to receive under a Social Security Supplement.

3. The restrictions in subparagraph 2 above do not apply, if any of the following requirements is satisfied:

(A) After payment to or on behalf of an Employee described in paragraph (c) of all Benefits payable to or on behalf of the Employee, the value of Plan assets equals or exceeds 110% of the value of Current Liabilities,

(B) The value of Benefits payable to or on behalf of an Employee described in paragraph (c) is less than 1% of the value of the Current Liabilities before distribution, or

(C) The value of the Benefits payable to or on behalf of an Employee described in paragraph (c) does not exceed the amount described in Section 411(a)(11)(A) of the Code.

(c) The Employees whose Benefits are restricted on distribution include all Highly Compensated Participants and former Highly Compensated Participants. A Highly Compensated Participant or former Highly Compensated Participant is not subject to restriction under this Section if he is not one of the 25 (or larger number chosen by the Company) nonexcludable Employees and former Employees of the Employers with the largest amount of Covered Compensation in the current or in any prior Plan Year.

ARTICLE VIII

PROVISIONS RELATING TO THE PLAN COMMITTEES

8.01 ALLOCATION OF RESPONSIBILITY AMONG FIDUCIARIES FOR TRUST ADMINISTRATION. The Company ("Named Fiduciary"), Pension Finance Committee, Pension Administrative Committee and Trustees ("Fiduciaries") shall have only those specific powers, duties, responsibilities and obligations as are specifically given them under this Plan and the Trust. In general, the Company, through the Board, shall have the sole right to determine who shall be the Trustees (subject to the terms of the Trust), the members of the Pension Finance Committee and the members of the Pension Administrative Committee; the sole right to determine the funding policy of the Fund (within the limits set by the Actuary); and the sole responsibility to amend or terminate, in whole or in part, the Plan. The Company shall have the sole responsibility for making the contributions necessary to provide benefits under the Plan. The Pension Administrative Committee shall have the responsibility for administration of the Plan. The Trustees shall have the responsibility for and shall control and manage the operation and administration of the Trust and the assets held under the Trust in accordance with the Trust provisions. Each Fiduciary may rely upon any direction, information or action of another Fiduciary as being proper under the Plan, and is not required under the Plan to inquire into the propriety of any such direction, information or action. It is intended under this Plan that each Fiduciary shall be responsible for the proper exercise of its own powers, duties, responsibilities and obligations under this Plan and shall not be responsible for any act or failure to act of another Fiduciary. No Fiduciary guarantees the Fund in any manner against investment loss or depreciation in asset value. Any person may serve in more than one fiduciary capacity with respect to the Plan or Trust if, pursuant to the Plan and/or Trust Agreement, he is assigned or delegated any multiple fiduciary capacities.

8.02 PENSION FINANCE COMMITTEE. The Pension Finance Committee shall perform such duties and have such authority as is granted to it in the Trust Agreement, the provisions of which are hereby incorporated by reference. The Pension Finance Committee shall consist of one or more members who may be, but are not required to be, Employees. The members of the Pension Finance Committee shall be appointed by the President of the Company and shall serve at his discretion.

8.03 PENSION ADMINISTRATIVE COMMITTEE. Except to the extent that particular responsibilities are assigned or delegated to other Fiduciaries, pursuant to the Trust Agreement or other Sections of the Plan, the Pension Administrative Committee shall have the responsibility for administration of the Plan and shall have such powers as are necessary to carry out the provisions of the Plan. The Pension Administrative Committee shall consist of such members, not less than three (3), as shall from time to time be appointed and acting hereunder. The Pension Administrative Committee may also be the administrator of any other benefit plan or plans of any Employer

if the Board so provides. Each member of the Pension Administrative Committee shall be appointed by the President of the Company and shall thereafter serve until his death, resignation or removal from such office. Any member may resign at any time by notice in writing to the President of the Company and to the remaining members of the Pension Administrative Committee. The President of the Company may remove any member of the Pension Administrative Committee at any time by written notice to him and to the remaining members of the Pension Administrative Committee. Members of the Pension Administrative Committee may or may not be Employees. The Company shall notify the Trustees in writing of the membership of the Pension Administrative Committee and any changes therein and the Trustees will be protected in relying on such written notice in dealing with the Pension Administrative Committee.

The Pension Administrative Committee shall interpret the Plan and shall solely determine all questions arising in the administration, interpretation and application of the Plan, including but not limited to, questions of eligibility and the status and rights of Participants, Beneficiaries and other persons. The regularly kept records of the Company shall be conclusive and binding upon all persons with respect to an Employee's age, time and amount of Covered Compensation and the manner of payment thereof, and all other matters contained therein relating to Employees. All rules and determinations of the Pension Administrative Committee shall be uniformly and consistently applied to all persons in similar circumstances and shall be conclusive and binding on all persons.

8.04 THE SECRETARY OF THE PENSION ADMINISTRATIVE COMMITTEE. The Pension Administrative Committee will appoint a Secretary who may, but need not, be a member of the Pension Administrative Committee, and any document required to be filed with, or any notice required to be given to, the Pension Administrative Committee will be properly filed or given if mailed by registered mail, or delivered, to the Secretary of the Pension Administrative Committee in care of the Company. The Company shall notify the Trustees in writing of the person appointed to act as Secretary of the Pension Administrative Committee and of any changes therein, and the Trustees will be protected in relying upon such written notice in dealing with the Secretary. The Secretary shall be the agent of the Plan for service of process.

8.05 RECORDS AND REPORTS OF THE PENSION ADMINISTRATIVE COMMITTEE. The Pension Administrative Committee shall have (a) the responsibility to comply with the reporting and disclosure requirements with respect to the Plan, including annual reports to the Department of Labor and the Internal Revenue Service and reports and premium payments to the Pension Benefit Guaranty Corporation, and (b) such other assignments with respect to the administration of the Plan designated by the Board. The Pension Administrative Committee shall also exercise such authority and responsibility as it deems appropriate in order to comply with ERISA and governmental regulations issued thereunder relating to records of Participants' Vesting and Credited Service, Accrued Benefits, and whether such benefits are nonforfeitable under the Plan.

8.06 PENSION ADMINISTRATIVE COMMITTEE'S POWERS. The Pension Administrative Committee, as the same shall be from time to time constituted, shall have full power and authority, within the limits provided by the Plan:

(i) To determine all questions arising concerning the construction and interpretation of the Plan and in its administration, including, but not by way of limitation, the determination of the rights or eligibility under the Plan of Employees and Participants and their Eligible Spouses and Beneficiaries, and the amount of their respective benefits, and of the initial and continuing eligibility of a Participant's Surviving Spouse and children for benefits hereunder; and all such determinations shall be final and binding upon all persons whomsoever;

(ii) To adopt such rules and regulations as it may deem reasonably necessary for the proper and efficient administration of the Plan and consistent with its purpose;

(iii) To enforce the Plan, in accordance with its terms and with its own rules and regulations;

(iv) To direct the Trustees with respect to all matters involving distributions from the Fund;

(v) To receive and review the periodic reports of the Actuary;

(vi) To prepare and distribute, in such manner as the Pension Administrative Committee determines to be appropriate, information explaining the Plan;

(vii) To create subcommittees and appoint agents, and to delegate such of its rights, powers and discretions to such subcommittees or agents as it deems desirable; and

(viii) To do all other acts, in its judgment necessary or desirable, for the proper and advantageous administration of the Plan;

and the due exercise by the Pension Administrative Committee of any and all of such powers and authorities shall be conclusive and binding on all persons whomsoever for the purposes of the Plan.

8.07 DISTRIBUTIONS TO PERSONS UNDER DISABILITY. In the event any portion of the Fund becomes distributable under the terms hereof to any person who is a minor or under a legal disability or is, although not adjudicated incompetent by reason of illness or mental disability, in the opinion of the Pension Administrative Committee unable properly to handle his own affairs, the Pension Administrative Committee, in its sole discretion, may direct that such distributions shall be made in any one or more of the following ways:

(a) Directly to said minor or other person;

(b) To the legal guardian or conservator of said minor or other person;

(c) To the spouse, parent, brother, sister, child or other relative of said minor or other person for the use of said minor or other person; or

(d) For the expenditures of the same for the education, health, maintenance and support of said minor or other person.

Except as to (d) above, the Pension Administrative Committee shall not be required to see to the application of any distributions so made to any of said persons, but his or their receipts therefor shall be a full discharge of the liability of the Pension Administrative Committee and the Fund to such minor or other person therefor.

8.08 COMMITTEE ACTIONS. The Pension Administrative Committee and each subcommittee shall act with or without a meeting by the vote or concurrence of a majority of its members; but no member who is a Participant shall take part in Pension Administrative Committee action on any matter that has particular reference to his own interest hereunder. A dissenting Pension Administrative Committee member who within a reasonable time after he has knowledge of any action or failure to act by the majority, registers his dissent in writing delivered to each other Committee members, the Secretary, the Board, and the Trustees shall not be responsible for any such action or failure to act. All written directions by the Pension Administrative Committee may be made over the signature of its Secretary or the signatures of a majority of its members and all persons shall be protected in relying on such written directions.

8.09 COMMITTEE EXPENSES. The Company shall provide the Committees with all of the clerical, bookkeeping and stenographic help and facilities that may be necessary to enable it to perform its functions hereunder for the cost of which the Company may be reimbursed out of the Fund if requested by the Company. The Committees may appoint actuaries, consultants, accountants, legal counsel, or other agents, including the Trustees with their consent, as they deem advisable to assist in carrying out their duties hereunder.

8.10 RULES AND DECISIONS. Subject to Section 5.05 above, the Committees may adopt such rules and actuarial tables as they deem necessary, desirable or appropriate. All rules and decisions of the Committees shall be uniformly and consistently applied to all Participants in similar circumstances. When making a determination or calculation, the Committees shall be entitled to rely upon information furnished by a Participant, Spouse, or Beneficiary, the Company, an Employer, legal counsel, the Actuary or the Trustees.

8.11 INDEMNIFICATION BY THE COMPANY. The Committees and the individual members thereof, shall be indemnified by the Company against any and all liabilities arising by reason of any act or failure to act in good faith pursuant to the provisions of the Plan,

including expenses reasonably incurred in the defense of any claim relating thereto.

8.12 FIDUCIARY DUTIES. All Fiduciaries shall discharge their duties solely in the interest of the Participants, Spouses and Beneficiaries and for the exclusive purpose of (a) providing benefits to Participants, Spouses and their Beneficiaries, and (b) defraying reasonable expenses of administering the Plan and Trust. They shall discharge their duties with care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

8.13 PROHIBITED TRANSACTIONS TO BE AVOIDED. The Fiduciaries shall not take any action, and shall not cause the Trust to engage in any transaction, prohibited under or in violation of Part 4 of Title I of ERISA, or which would subject any person or the Company to imposition of a tax under Section 4975 of the Code.

8.14 INFORMATION TO BE PROVIDED TO PARTICIPANTS AND OTHERS. At least once in each Plan Year, the Pension Administrative Committee shall furnish to each Participant, Spouse and Beneficiary requesting the same in writing a statement indicating on the basis of the latest available information:

(a) his total Accrued Benefit, under the Plan;

(b) his total accrued benefit, if any, under a Prior Plan; and

(c) his nonforfeitable pension benefits, if any, which have accrued, or the earliest date on which benefits will become nonforfeitable.

For every Plan Year, the Pension Administrative Committee shall furnish to every Participant:

(i) whose employment is terminated during said Plan Year,

(ii) who is entitled to a deferred nonforfeitable benefit under the Plan, and

(iii) who was paid no benefit during said Plan Year,

a statement of the nature, amount and form of the deferred nonforfeitable benefits to which such Participant is entitled. The Pension Administrative Committee shall furnish and make available to Participants, Spouses and Beneficiaries, and to the Secretary of Labor or his delegate and to the Secretary of the Treasury or his delegate, such plan descriptions, summaries, reports, registration statements, notifications and other documents that may be required by ERISA and the Code and regulations thereunder.

8.15 ANNUAL REPORTS. The Pension Finance Committee and the Pension Administrative Committee shall prepare, or cause to be prepared, an annual report for each Plan Year containing such financial statement, actuarial reports and other information in such form and for such delivery and availability at such times and in such manner, all as may be required by ERISA and the Code and regulations thereunder and the Pension Administrative Committee shall retain such records for such periods as may be required by such laws and regulations.

ARTICLE IX

PROVISIONS RELATING TO THE TRUST FUND

9.01 PURPOSE OF FUND. The Fund is maintained for the purposes of the Plan and the assets thereof will be held, invested, administered and distributed in accordance with the terms of the Trust.

9.02 NON-DIVERSION OF FUND. The Fund will be used and applied only in accordance with the Plan and no part of the principal or income of the Fund will be used for or diverted to purposes other than for the exclusive benefit of Participants, and their Spouses and Beneficiaries, in accordance with the provisions hereof, and for the payment, if not paid by the Company, of the expenses referred to in Section 9.03 below. Except as otherwise provided in Section 11.01 below, no Employer shall have any right, title or interest in the Fund or any part thereof and none of the contributions made thereto by the Company will revert to any Employer. However, without regard to the foregoing provisions of this Section 9.02:

(i) If contribution under the Plan is conditioned on initial qualification of the Plan under Section 401(a) of the Code and the Plan receives an adverse determination with respect to its initial qualification, the Trustee shall, upon written request of the Company, return to the Company the amount of such contribution (increased by earnings attributable thereto and reduced by losses attributable thereto) within one calendar year after the date that qualification of the Plan is denied, provided that the application for determination is made by the time prescribed by law for filing the Company's return for the taxable year in which the Plan is adopted, or such later date as the Secretary of the Treasury may prescribe;

(ii) If a contribution is conditioned upon the deductibility of the contribution under Section 404 of the Code, then, to the extent the deduction is disallowed, the Trustee shall upon written request of the Company, return the contribution (to the extent disallowed) to the Company within one year after the date the deduction is disallowed;

(iii) If a contribution or any portion thereof is made by the Company by a mistake of fact, the Trustee shall, upon written request of the Company, return the contribution or such portion to the Company within one year after the date of payment to the Trustee; and

(iv) Earnings attributable to amounts to be returned to the Company pursuant to subsection (b) or (c) above shall not be returned and losses attributable to amounts to be returned pursuant to subsection (b) or (c) shall reduce the amount to be so returned.

9.03 FUND EXPENSES. All expenses incurred in the Administration of the Plan, including, but not limited to, expenses of the Company, the Pension Finance Committee and the Pension Administrative Committee and the expenses and compensation of their counsel, consultants, actuaries, accountants and other agents, and the expenses incurred by the Trustees in the administration of the Fund, including fees for legal services rendered to the Trustees, such compensation to the Trustees as may be agreed upon from time to time between the Company and the Trustees, and all other proper charges and expenses of the Trustees and of their agents and counsel, shall be paid from the Fund except to the extent the Company elects to pay such items. All taxes of any kind whatsoever that may be levied or assessed under existing or future laws upon the Fund or the income thereof, and investment expenses, shall be paid from the Fund.

ARTICLE X

MISCELLANEOUS PROVISIONS RESPECTING THE EMPLOYERS

10.01 NON-LIABILITY OF EMPLOYERS AND AGENTS. The Company will make contributions to the Fund for the purpose of providing the benefits under the Plan, but neither the Company, nor any other Employer, nor any of the officers or employees of the Company or any other Employer, guarantees in any manner the payment of such benefits. All contributions made by the Company will be paid into the Fund and all benefits payable under the Plan will be paid from the Fund alone. Any person claiming benefits under the Plan will look solely to the Fund for payment and no Participant, Spouse, or Beneficiary, shall have any right to, or interest in, any part of the Fund assets upon Retirement or otherwise except as, and to the extent, expressly provided in this Plan.

10.02 AMENDMENT OF PLAN. This Plan may be amended at any time and from time to time by the duly adopted resolution of the Board, but such power of amendment shall under no circumstances include the right in any way or to any extent to revest or otherwise transfer any interest in or to the Fund, or any income therefrom, to the Company or any other Employer, nor shall the power of amendment include the right in any way or to any extent to divest any

Participant of the interest in the Fund to which he would be entitled if the Plan were terminated as of the date of such amendment. Neither shall such power of amendment be exercised in any way which would or could give to any Participant any right or thing of exchangeable value in advance of the receipt of distributions in accordance with the terms provided therefor. No amendment shall ever operate to enable any part of the corpus or income or other assets of the Fund to be used for or diverted to any purpose other than the exclusive benefit of Participants or their Spouses or Beneficiaries. Notwithstanding the foregoing provisions of this Section 10.02, however, this Plan may be amended in any manner whatsoever, with prospective or retroactive effect, for the purpose of qualifying it under Section 401 of the Code or any similar law hereafter applicable.

10.03 COMPANY ACTIONS. All written directions by the Company and the exercise of any of the Company's rights, powers, discretions, privileges and duties may be effected by a certified copy of a resolution of the Board or its executive committee, or by a person or persons authorized by the Board or said executive committee to so act on behalf of the Company; and all persons shall be protected in relying on such written directions.

ARTICLE XI

TERMINATION OF THE PLAN AND DISTRIBUTION OF THE FUND

11.01 TERMINATING ACTS AND DISTRIBUTION PROCEDURES. The Company reserves the right, upon thirty (30) days' written notice to the Trustees, to terminate the entire Plan at any time by action of its Board. In the event of any such termination, the rights of all Participants to the benefits accrued to the date of such termination, all as more particularly set forth below in this Article XI, shall become nonforfeitable, except to the extent provided in Sections 7.05 and 7.07 above. For the period required to complete such termination, the Trustees shall continue to hold, administer, invest and distribute the Fund in accordance with the provisions of the Trust and the directions of the Pension Administrative Committee, unless and until the Pension Benefit Guaranty Corporation institutes proceedings under Section 4042 of ERISA. In the event of the termination of the Plan, the assets of the Fund available to provide benefits shall be allocated among the Participants and Beneficiaries in the following order:

(1) FIRST, the Actuarial Equivalent of that portion (if any) of the benefit of each Participant or Beneficiary which was derived from a Participant's contributions;

(2) SECOND, in the case of each Participant and Beneficiary to whom an annuity was being paid on the date of such termination and as of the beginning of the third (3rd) year before such termination date, the Actuarial Equivalent of the benefit determined at the

lowest benefit level paid during such three (3) year period or provided under the Plan during the five (5) year period before such termination date;

(3) THIRD, in the case of each Participant and Beneficiary to whom an annuity would have been payable at the beginning of the third (3rd) year before such termination date if the Participant had Retired prior thereto, the Actuarial Equivalent of the benefit determined at the lowest benefit level provided under the Plan during the five (5) year period before such termination date;

(4) FOURTH, the Actuarial Equivalent of each benefit of a Participant and Beneficiary other than provided for in First, Second and Third above which is guaranteed under ERISA Section 4022 (determined without regard to paragraph (b)(5) thereof);

(5) FIFTH, the Actuarial Equivalent of each benefit of a Participant or Beneficiary other than provided for in First, Second, Third or Fourth above which is nonforfeitable under the provisions of the Plan (other than benefits which become nonforfeitable upon termination under this Section 11.01);

(6) SIXTH, the Actuarial Equivalent of each benefit of a Participant or Beneficiary other than provided for in First, Second, Third, Fourth and Fifth, above, provided for under the Plan.

If the assets of the Fund available for allocation under any of paragraphs FIRST, SECOND, THIRD and FOURTH, above are insufficient to satisfy in full all of the benefits described in such paragraph, such assets shall be allocated PRO RATA among such benefits on the basis of the Actuarial Equivalent referred to in such paragraph of their respective benefits; and if the assets of the Fund available for allocation under paragraph FIFTH above are insufficient to satisfy in full all of the benefits described in such paragraph, such assets shall be allocated among such benefits PRO RATA as such benefits are determined under the Plan as in effect at the beginning of the five (5) year period ending on such termination date and if sufficient for that purpose, and if the Plan has been amended during such five (5) year period, the remainder available for allocation under paragraph FIFTH shall be allocated PRO RATA among any benefits in addition to such benefits (as were in effect at the beginning of such five (5) year period) for which each such amendment provided, in the order of occurrence until all such assets are exhausted. The manner and time of paying benefits not already being paid shall be determined by the Pension Administrative Committee (or the Company if there is no Pension Administrative Committee) subject to the applicable provisions of ERISA and the Code. After all expenses of administration of the Plan have been provided for, and all liabilities of the Plan to Participants employed by an Employer, former Participants and their

respective Spouses and Beneficiaries have been satisfied, the Company shall be entitled to any remaining balance of such assets.

11.02 PARTIAL TERMINATION OF PLAN. If a Participating Employer shall discontinue its participation in the Plan in whole or in substantial part by any one or more of the following actions:

(a) The termination or partial termination of that Employer's business with consequent termination of employment of a substantial number of Participants employed by such Employer; or

(b) Disposition of all or a substantial part of its business operations unless the acquiring entity, with the consent of the Board, continues the Plan and assumes the responsibilities of a Participating Employer under the Plan,

then the Plan shall be deemed to be terminated with respect to such Participating Employer and as it relates to, and is for the benefit of, the affected Participants to the extent that they are or have been Employees of such Participating Employer, and their respective Surviving Spouses and Beneficiaries, other than any such Participant who may by a transfer of his employment continue his participation in the Plan. In the event of any such partial termination, the rights of all affected Participants (and Surviving Spouses and Beneficiaries) to the benefits accrued to the date of such termination, all as more particularly set forth in this Article XI, shall become non-forfeitable, except to the extent provided in Sections 7.05 and 7.07 above. Upon any such partial termination, an appropriate portion of the assets of the Fund attributable to the Participants (and Surviving Spouses and Beneficiaries) affected by such partial termination shall be separated by the Trustees with the aid and counsel of the Actuary and the accountants for the Plan and in accordance with applicable rules in ERISA or regulations thereunder, and such separated portion of the assets of the Fund shall be allocated among the Participants (and Surviving Spouses and Beneficiaries) affected by such partial termination in accordance with the provisions of Section 11.01 above.

11.03 MERGER. In the event of any merger or consolidation of part or all of the Plan with, or the transfer of part of all of its assets or liabilities to, any other plan or trust ("other plan") each Participant in the Plan whose interests were so merged, consolidated or transferred into, with, or to the other plan shall be entitled to receive a benefit immediately thereafter (if the other plan then terminated) which would be equal to or greater than the benefit he would have been entitled to receive immediately theretofore (if this Plan then terminated).

ARTICLE XII

TOP-HEAVY PROVISIONS

12.01 TOP-HEAVY STATUS. The provisions of this Article shall not apply to the Plan with respect to any Plan Year for which the Plan is not Top-Heavy (except as provided in subsections 12.05(b) and 12.05(c)). If the Plan is or becomes Top-Heavy in any Plan Year, the provisions of this Article XII will supersede any conflicting provisions elsewhere in the Plan.

12.02 DEFINITIONS. For purposes of this Article XII, the following words and phrases shall have the meanings stated below unless a different meaning is plainly required by the context:

(a) "Compensation" shall, for any Plan Year in which the Plan is Top-Heavy, have the meaning set forth in Section 414(q)(7) of the Code.

(b) "Determination Date" shall mean, with respect to any Plan Year: (i) the last day of the preceding Plan Year, or (ii) in the case of the first Plan Year of the Plan, the last day of such Plan Year.

(c) "Key Employee" shall mean an Employee meeting the definition of "key employee" contained in Section 416(i)(1) of the Code and the Treasury Regulations interpreting said Section.

(d) "Non-Key Employee" shall mean any Employee who is not a Key Employee.

(e) "Permissive Aggregation Group Plan" shall mean any plan of the Company or an Affiliated Company which is not in the Required Aggregation Group and which, when considered with the Required Aggregation Group Plans, meets the requirements of Sections 401(a)(4) and 410 of the Code.

(f) "Required Aggregation Group Plan" shall mean (1) each plan of the Company or an Affiliated Company in which a Key Employee is a participant, and (2) each other plan of the Company or an Affiliated Company which enables any plan described in (1) to meet the requirements of Sections 401(a)(4) and 410 of the Code.

(g) "Valuation Date" shall mean with respect to a particular Determination Date, the most recent date for valuation of the Fund occurring within a twelve (12) month period ending on the applicable Determination Date and used for computing Plan costs for purposes of the minimum funding requirements of the Code.

12.03 DETERMINATION OF TOP-HEAVY STATUS. (a) The Plan will be "Top-Heavy" with respect to any Plan Year if, as of the Determination Date applicable to such Year, the ratio of the present

value of Accrued Benefits under the Plan for Key Employees (determined as of the Valuation Date applicable to such Determination Date) to the present value of Accrued Benefits under the Plan for all Employees (determined as of such Valuation Date) exceeds 60%. For purposes of computing such ratio, and for all other purposes of applying and interpreting this subsection (a), the provisions of Section 416 of the Code and all Treasury Regulations interpreting said Section shall be applied.

(b) For purposes of determining whether the Plan is Top-Heavy, all qualified retirement plans that are Required Aggregation Group Plans shall be aggregated. All qualified retirement plans that are Permissive Aggregation Group Plans shall be aggregated only to the extent permitted by Section 416 of the Code, and Treasury Regulations promulgated thereunder, and elected by the Company.

12.04 ACTUARIAL ASSUMPTIONS. For purposes of determining whether the Plan is Top-Heavy, the actuarial assumptions provided in Section 5.05 above shall be used.

12.05 VESTING. (a) If the Plan becomes Top-Heavy, the vested interest of a Participant in the portion of his Accrued Benefit referred to in subsection (b) below shall be determined in accordance with the following formula in lieu of the provisions of Sections 4.04 and 4.10 above:

Years of Vesting Service	Vested Percentage	Forfeitable Percentage
[S]	[C]	[C]
Less than 2	0%	100%
2 but less than 3	20%	80%
3 but less than 4	40%	60%
4 but less than 5	60%	40%
5 or more	100%	0%

For purposes of the above schedule, years of Vesting Service shall include all years of Vesting Service required to be counted under section 411(a) of the Code, disregarding all years of Vesting Service permitted to be disregarded under Section 411(a)(4) of the Code.

(b) The vesting schedule set forth in subsection (a) above shall apply to all Accrued Benefits which have accrued while the Plan is Top-Heavy and during the period of time before the Plan becomes Top-Heavy. This vesting schedule shall not apply to the Accrued Benefit of any Employee who does not have an Hour of Service after the Plan becomes Top-Heavy.

(c) If the Plan becomes Top-Heavy and subsequently ceases to be Top-Heavy, the vesting schedule set forth in subsection (a) above shall automatically cease to apply, and the provisions of Sections 4.04 and 4.10 above shall automatically apply, with respect

to all Accrued Benefits which accrue to a Participant for all Plan Years after the Plan Year with respect to which the Plan was last Top-Heavy. For purposes of this subsection (c), this change in vesting provisions shall only be valid to the extent that the conditions of Section 10.02 above and Section 411(a)(10) of the Code are satisfied.

12.06 MINIMUM BENEFIT. (a) If the Plan shall be Top-Heavy, the Accrued Benefit at any point in time for each Non-Key Employee described in subsection (c) below shall be the Actuarial Equivalent (based on the assumptions set forth in Section 12.04 above) of a single life annuity payable over the life of the Non-Key Employee, commencing on his sixty-fifth (65th) birthday, equal to a percentage of such Employee's average Compensation for the five consecutive Plan Years when the Employee had the highest aggregate amount of such Compensation from any Employers. Such percentage shall equal the lesser of (i) two percent (2%) multiplied by such Employee's years of service (as computed pursuant to subsection (b) below), or (ii) twenty percent (20%). The minimum benefit payable pursuant to this Section 12.06 will be determined without regard to any contributions for any Employee under the Federal Social Security Act. Notwithstanding the provisions of Section 4.09, if the benefit payments of a Non-Key Employee do not commence until after his sixty-fifth (65th) birthday or are suspended for any period after his sixty-fifth (65th) birthday pursuant to Section 4.09, the Accrued Benefit required under this Section upon the commencement or recommencement of benefit payments to such Non-Key Employee after his sixty-fifth (65th) birthday shall be adjusted so that it is equal to the Actuarial Equivalent of the Accrued Benefit required by this Section at his sixty-fifth (65th) birthday minus the Actuarial Equivalent of any benefit payments previously made to or with respect to the Participant.

(b) For purposes of this Section 12.06, years of service shall not include Plan Years when (i) the Plan was not Top-Heavy for any Plan Year ending during such year of service, and (ii) years of service completed in a Prior Plan plan year beginning before January 1, 1984.

(c) Each Non-Key Employee who completes at least 1,000 Hours of Service in a Plan Year shall accrue the minimum Accrued Benefit described in subsection (a) above for such Plan Year. A Non-Key Employee shall not fail to accrue such benefit merely because the Employee was not employed on a specific date or because he failed to earn a minimum amount of Compensation for such Year.

(d) For purposes of subsection (c) above, Compensation in Prior Plan years ending before January 1, 1984 and Compensation in Plan Years after the close of the last Plan Year in which the Plan is Top-Heavy shall be disregarded.

12.07 PARTICIPATION IN MORE THAN ONE PLAN. In the event that a Participant is simultaneously covered under this Plan, at a time when the Plan is Top-Heavy, and a defined contribution plan of the Company or an Affiliated Company, at a time when the plan is Top-Heavy, the Participant shall be entitled only to the defined benefit

minimum under this Plan, and not to the defined contribution minimum under the defined contribution plan.

12.08 MAXIMUM LIMITATION. For purposes of determining whether the Plan would be Top-Heavy if "90%" were substituted for "60%" each place it appears in paragraphs (1) (A) or (2)(B) of Section 416(g) of the Code, as required by Section 416(h) of the Code, all of the preceding provisions of this Article should be applicable except that the phrase "90%" shall be substituted for the phrase "60%" where it appears in subsection 12.03(a). If, pursuant to the preceding sentence, it is determined that the Plan would be Top-Heavy if "90%" were substituted for "60%", then for purposes of applying Section 415(e) and 416(h) of the Code, and Section 4.13 of the Plan, to the benefit of any Participant, "1.0" shall be substituted for "1.25" in each applicable place in paragraphs (2)(B) and (3)(B) of Section 415(e) of the Code.

Subject to the exceptions provided below, if for any Plan Year the Plan is Top-Heavy, then the overall limitation imposed by Section 415(e) and (h) of the Code, and Section 4.13 of the Plan, in the case of a Key Employee who is a Participant in both the Plan and a Top-Heavy defined benefit plan maintained by any Employer or any Affiliated Company, shall be applied by substituting "1.0" for "1.25" in each applicable place in paragraphs (2)(B) and (3)(B) of Section 415(e) of the Code. The change in the Section 415(e) limitations specified in the preceding sentence shall not be applicable to a Participant for a Plan Year in which the Plan is Top-Heavy if (a) the sum of the present values of the accrued benefits and the account balances of all participants in all defined benefit plans and all defined contribution plans maintained by any Employer or any Affiliated Company who are Key Employees does not exceed 90% of the sum of the present values of the accrued benefits and the account balances of all participants in all defined benefit plans and all defined contribution plans maintained by any Employer or any Affiliated Company, and (b) the minimum benefit percentage under the Top-Heavy provisions of such defined benefit plans is increased to 3%.

ARTICLE XIII

PROVISIONS RELATING TO MERGERS OF PLANS

13.01 DEFINITIONS. For purposes of this Article, the following words and phrases shall have the meanings set forth below:

(a) "BernzOmatic Union Plan" shall mean the BernzOmatic Corporation Union Employees' Pension Plan.

(b) "Foley Hourly Plan" shall mean the Foley Company Retirement Plan for Factory Hourly Employees.

(c) "Mirro Hourly Plan" shall mean the Mirro Corporation Hourly Employees' Retirement Plan.

(d) "Combined Benefit" shall mean the sum of a Participant's Accrued Benefit as defined in Article II (except as otherwise provided in Section 14.02 in the case of a Participant subject to Article XIV), of this Plan, and his accrued benefit earned under a Constituent Plan.

(e) "Constituent Plan" shall mean each of the Foley Hourly Plan, the Mirro Hourly Plan or the BernzOmatic Union Plan, as in existence on the Merger Date.

(f) "Constituent Plan Participant" shall mean any person who has earned an accrued benefit under a Constituent Plan, as of the Merger Date for such Plan (as set forth in subsection (g) below), if such benefit has not been fully distributed or an annuity has not been purchased for and distributed to the Constituent Plan Participant with respect to such benefit as of such Merger Date.

(g) "Merger Date" shall mean September 14, 1985.

13.02 GENERAL. (a) Effective September 14, 1985, the assets held in trust under the BernzOmatic Union Plan (with the consent of its Joint Pension Committee), the Mirro Hourly Plan and the Foley Hourly Plan, respectively, were merged with and into the assets held in trust under this Plan. In connection with these mergers, this Plan assumed all liabilities of Constituent Plan Participants for accrued benefits under the Constituent Plans at the Merger Date. This Article will set forth special rules applicable with respect to Constituent Plan Participants under this Plan and will supplement the other provisions of this Plan with respect to such Constituent Plan Participants in connection with the portion of their Combined Benefits attributable to the Constituent Plans. The provisions of this Article shall be applied to such portion of their Combined Benefits, notwithstanding any inconsistent provision contained elsewhere in this Plan.

(b) The merged assets of the Constituent Plans shall be used to provide benefits with respect to all Participants under this Plan, including Constituent Plan Participants.

(c) The Combined Benefit, on a termination basis (within the meaning of Treasury Regulation Section 1.414(1)), to which any Constituent Plan Participant is entitled under this Plan, shall immediately after the Merger Date be equal to or greater than the benefit to which such Constituent Plan Participant was entitled, on a termination basis, under the applicable Constituent Plan immediately prior to the Merger Date. This subsection (c) shall not be construed to increase or decrease the nonforfeitable benefit accrued for any Constituent Plan Participant under the applicable Constituent Plan, or under this Plan, as of the Merger Date. This Article XIII shall be administered consistent with the requirements of Sections 411 and 414(1) of the Code, and Treasury Regulations promulgated thereunder.

(d) A Constituent Plan Participant who becomes a Participant under this Plan shall be deemed to have satisfied the requirements for a pension under Section 4.04 for purposes of

eligibility for a Qualified Pre-retirement Survivor Annuity under Section 4.07 if he has a nonforfeitable interest in a Combined Benefit. The Qualified Preretirement Survivor Annuity payable under Section 4.07 with respect to a Constituent Plan Participant shall be based on his Combined Benefit, except to the extent that any portion of such Benefit is otherwise distributable pursuant to this Article or otherwise.

(e) Notwithstanding any term to the contrary contained herein or in any of the Constituent Plans, the provisions of this Amendment and Restatement included to conform this Plan to the requirements of (i) the Code as amended by the Tax Equity and Fiscal Responsibility Act of 1982, the Tax Reform Act of 1984, and the Retirement Equity Act of 1984 ("REA"); (ii) ERISA as amended by REA; and (iii) governmental rulings and regulations applicable to this Plan as of January 1, 1984, shall apply to the Foley Hourly Plan, to the BernzOmatic Union Plan, and to the Mirro Hourly Plan as of the effective date applicable with respect to each such Plan in the case of each such Act, ruling, or regulation.

13.03 SPECIAL PROVISIONS RELATING TO BERNZOMATIC UNION PLAN.

(a) Effective September 1, 1982, contributions to the BernzOmatic Union Plan were permanently discontinued and all benefits accrued thereunder as of September 1, 1982 became nonforfeitable. As of such date, participants under the BernzOmatic Union Plan, and other nonclerical hourly-paid employees of the BernzOmatic Division of the Company became eligible to participate in this Plan in accordance with the terms of this Plan. For purposes of determining the Accrued Benefit for Participants who are employed by such Division, such Participants shall receive credit for periods of employment with the Company from and after September 1, 1982 and not for periods of employment with the Company, such Division, or BernzOmatic Corporation, prior to September 1, 1982. For purposes of determining such Participants' nonforfeitable interest in their Accrued Benefits, and their eligibility to participate in this Plan, such Participants shall receive credit for periods of employment with the Company from and after April 1, 1982 and not for periods of employment with the Company or BernzOmatic Corporation prior to April 1, 1982.

(b) The portion of the Combined Benefit of a Constituent Plan Participant earned under the BernzOmatic Union Plan through its Merger Date shall be payable to such Participant (in addition to his pension benefit set forth under Article IV of this Plan) at the times and in the manner set forth in Articles IV and V of this Plan. Notwithstanding the preceding sentence, if at any time the Constituent Plan Participant has satisfied all eligibility requirements contained in the BernzOmatic Union Plan necessary to entitle him to receive payment of the portion of his Combined Benefit earned under the BernzOmatic Union Plan at the Merger Date commencing at a date earlier than the date applicable under the terms of this Plan, such Participant shall be entitled, subject to the terms and conditions applicable under the BernzOmatic Union Plan, to have payment of such portion of his Combined Benefit commence as follows:

(i) If a Constituent Plan Participant's employment with BernzOmatic Corporation and all Employers terminates: (A) before or after the Merger Date, and (B) before he attains age 65, and if he attains age 55 and completes five years of Credited Service (as defined in the BernzOmatic Union Plan) on or after May 15, 1967, such Constituent Plan Participant shall be entitled to commence receipt (in accordance with the terms of this Plan) of the portion of his Combined Benefit earned under the BernzOmatic Union Plan at the Merger Date on the first day of any calendar month selected by the Participant on or after the later to occur of the Merger Date and the date of his termination of employment with BernzOmatic Corporation and all Employers, but not later than his Normal Retirement Date. The amount of such portion of his Combined Benefit earned under the BernzOmatic Union Plan shall be reduced by one-half of one percent for each full month that the date as of which payment of such Benefit portion commences precedes the Constituent Plan Participant's Normal Retirement Date. Any selection of a distribution date pursuant to this paragraph shall be made by written instrument delivered by the Constituent Plan Participant to the Pension Administrative Committee at least 30 days before the selected date.

(ii) If any Constituent Plan Participant's employment with BernzOmatic Corporation and all Employers terminates: (A) before or after the Merger Date, and (B) before he attains age 65, and before he attains age 55 and completes five years of Credited Service (as defined in the BernzOmatic Union Plan) on or after May 15, 1967, he shall immediately receive a lump sum distribution equal to his own contributions under the BernzOmatic Union Plan together with interest compounded annually at a rate of 3.5% per annum for periods through April 30, 1976, and 5% per annum for periods after that date, computed from the end of the year in which the money was contributed. Notwithstanding any provision of this clause (ii) to the contrary, if the Actuarial Equivalent of the Combined Benefit of a Constituent Plan Participant exceeds $3,500, and such Participant received credit for at least one (1) Hour of Service on or after August 23, 1984, then (A) no distribution shall be made to him without his written consent before his Normal Retirement Date, and (B) if the Participant has an Eligible Spouse, distribution must be made in accordance with Sections 4.06 and 5.01 of this Plan unless such Eligible Spouse consents, in the manner set forth in Section 5.01(e) above, to a distribution of the Constituent Plan Participant's contributions, with earnings, in a lump sum.

(c) The portion of the Qualified Preretirement Survivor Annuity attributable to the portion of the Combined Benefit of a Constituent Plan Participant earned under the BernzOmatic Union Plan through the Merger Date shall be payable to the Surviving Spouse of such Participant (in addition to the Qualified Preretirement Survivor Annuity set forth under Section 4.07 of this Plan) at the times and in

the manner set forth in Section 4.07 of this Plan. Notwithstanding the preceding sentence, if the Constituent Plan Participant at the date of his death has satisfied all eligibility requirements contained in the BernzOmatic Union Plan necessary to entitle him to receive payment of the portion of his Combined Benefit earned under the BernzOmatic Union Plan at the Merger Date commencing at a date earlier than the date applicable under the terms of this Plan, the Surviving Spouse of such Participant shall be entitled, subject to the terms and conditions applicable under the BernzOmatic Union Plan, to have payment of such portion of the Qualified Preretirement Survivor Annuity commence as follows:

(i) If a Constituent Plan Participant's employment with BernzOmatic Corporation and all Employers terminates by reason of his death: (A) after the Merger Date, and (B) before he attains age 65 and after he attains age 55 and completes five years of Credited Service (as defined in the BernzOmatic Union Plan) on or after May 15, 1967, his Surviving Spouse shall be entitled to commence receipt (in accordance with the terms of this Plan) of the portion of the Qualified Preretirement Survivor Annuity attributable to the portion of the Combined Benefit earned under the BernzOmatic Union Plan at the Merger Date on the first day of any calendar month selected by the Surviving Spouse on or after the date of death of the Constituent Plan Participant but not later than the date that would have been his Normal Retirement Date. The amount of such portion of the Qualified Preretirement Survivor Annuity shall be reduced by one-half of one percent for each full month that the date as of which payment of such Annuity portion commences precedes the first day of the month following the month in which the Constituent Plan Participant would have attained his Normal Retirement Date. Any selection of a distribution date pursuant to this paragraph shall be made by written instrument delivered by the Surviving Spouse to the Pension Administrative Committee at least 30 days before the selected date.

(ii) If a Constituent Plan Participant's employment with BernzOmatic Corporation and all Employers terminates by reason of death: (A) after the Merger Date, and (B) before he attains age 65, and before he attains age 55 and completes five years of Credited Service (as defined in the BernzOmatic Union Plan), on or after May 15, 1967, his Surviving Spouse shall immediately receive a lump sum distribution equal to the contributions of the Constituent Plan Participant to the BernzOmatic Union Plan, together with interest compounded annually at a rate of 3.5% per annum for periods through April 30, 1976, and 5% per annum for periods after that date, computed from the end of the year in which the money was contributed. Notwithstanding any provision of this Clause (ii) to the contrary, if the Actuarial Equivalent of the Combined Benefit of a Constituent Plan Participant exceeds $3,500 and such Participant received credit for at least one (1) Hour of

Service on or after August 23, 1984, then no distribution shall be made to the Surviving Spouse without her written consent before what would have been the Normal Retirement Date of the Constituent Plan Participant.

13.04 SPECIAL PROVISIONS RELATING TO FOLEY HOURLY PLAN. (a) Any Constituent Plan Participant participating in the Foley Hourly Plan on the Merger Date and previously employed by Foley-ASC, Inc. shall become eligible to participate under this Plan as of the Merger Date and shall remain eligible to participate and receive benefits hereunder in accordance with the terms of this Plan.

(b) Subject to subsections (d) and (e) below, the portion of the Combined Benefit of a Constituent Plan Participant earned under the Foley Hourly Plan through the Merger Date shall be payable to such Participant (in addition to his pension benefit set forth under Article XIV of this Plan) at the times and in the manner set forth in Articles IV (except Section 4.01), and V, of this Plan. Notwithstanding the preceding sentence, if at any time the Constituent Plan Participant has satisfied all eligibility requirements contained in the Foley Hourly Plan necessary to entitle him to receive payment of the portion of his Combined Benefit earned under the Foley Hourly Plan at the Merger Date commencing at a date earlier than the date applicable under the terms of this Plan, such Participant shall be entitled, subject to the terms and conditions applicable under the Foley Hourly Plan, to have payment of such portion of his Combined Benefit commence as follows:

(i) If a Constituent Plan Participant's employment with Foley-ASC, Inc. and all Employers terminates: (A) before or after the Merger Date, and (B) before he attains age 65, and if he attains age 55 and completes ten years of Vesting Service (as defined in the Foley Hourly Plan), such Participant shall be entitled to commence receipt (in accordance with the terms of this Plan) of such portion of his Combined Benefit earned under the Foley Hourly Plan at the Merger Date on the first day of any calendar month selected by the Participant on or after the later to occur of the Merger Date and the date of his termination of employment with Foley-ASC, Inc. and all Employers, but not later than his Normal Retirement Date. The amount of such portion of his Combined Benefit shall be reduced by one-half of one percent for each full month that the date as of which payment of such Benefit commences precedes the Constituent Plan Participant's Normal Retirement Date. Any selection of a distribution date pursuant to this paragraph shall be made by written instrument delivered by the Constituent Plan Participant to the Pension Administrative Committee at least 30 days before the selected date.

(ii) If a Constituent Plan Participant's employment with Foley-ASC, Inc. and all Employers terminates: (A) before or after the Merger Date, and (B) before he attains age 55, and if he completes ten years of Vesting Service (as defined in the Foley Hourly Plan), such Participant shall be

entitled to commence receipt (in accordance with the terms of this Plan) of such portion of his Combined Benefit earned under the Foley Hourly Plan at the Merger Date on the first day of any calendar month selected by the Participant on or after the date he attains age 55, but not later than his Normal Retirement Date. The amount of such portion of his Combined Benefit shall be reduced by one-half of one percent for each full month that the date as of which payment of such Benefit commences precedes the Constituent Plan Participant's Normal Retirement Date. Any selection of a distribution date pursuant to this paragraph shall be made by written instrument delivered by the Constituent Plan Participant to the Pension Administrative Committee at least 30 days before the selected date.

(c) Subject to subsections (d) and (e) below, the portion of the Qualified Preretirement Survivor Annuity attributable to the portion of the Combined Benefit of a Constituent Plan Participant earned under the Foley Hourly Plan through the Merger Date shall be payable to the Surviving Spouse of such Participant (in addition to the Qualified Preretirement Survivor Annuity set forth under Section 4.07 of this Plan) at the times and in the manner set forth in Section 4.07 of this Plan. Notwithstanding the preceding sentence, if the Constituent Plan Participant at the date of his death has satisfied all eligibility requirements contained in the Foley Hourly Plan necessary to entitle him to receive payment of the portion of his Combined Benefit earned under the Foley Hourly Plan at the Merger Date commencing at a date earlier than the date applicable under the terms of this Plan, the Surviving Spouse of such Participant shall be entitled, subject to the terms and conditions applicable under the Foley Hourly Plan, to have payment of such portion of his Qualified Preretirement Survivor Annuity commence as follows:

(i) If a Constituent Plan Participant's employment with Foley-ASC, Inc. and all Employers terminates by reason of his death: (A) after the Merger Date, and (B) before he attains age 65 and after he attains age 55 and completes ten years of Vesting Service (as defined in the Foley Hourly Plan), his Surviving Spouse shall be entitled to commence receipt (in accordance with the terms of this Plan) of such portion of his Qualified Preretirement Survivor Annuity attributable to the portion of the Combined Benefit earned under the Foley Hourly Plan at the Merger Date on the first day of any calendar month selected by the Surviving Spouse on or after the date of death of the Constituent Plan Participant but not later than the date that would have been his Normal Retirement Date. The amount of such portion of his Qualified Preretirement Survivor Annuity shall be reduced by one-half of one percent for each full month that the date as of which payment of such Annuity commences precedes the first day of the month following the month in which the Constituent Plan Participant would have attained his Normal Retirement Date. Any selection of a distribution date pursuant to this paragraph shall be made by written instrument delivered by the Surviving Spouse to the Pension

Administrative Committee at least 30 days before the selected date.

(ii) If a Constituent Plan Participant's employment with Foley-ASC, Inc. and all Employers terminates by reason of death: (A) after the Merger Date, and (B) before he attains age 55 and after he completes 10 years of Vesting Service (as defined in the Foley Hourly Plan), his Surviving Spouse shall be entitled to commence receipt (in accordance with the terms of this Plan) of such portion of his Qualified Preretirement Survivor Annuity attributable to the portion of the Combined Benefit earned under the Foley Hourly Plan at the Merger Date on the first day of any calendar month selected by the Surviving Spouse on or after the date on which the Constituent Plan Participant would have attained age 55, but not later than the date that would have been his Normal Retirement Date. The amount of such portion of his Qualified Preretirement Survivor Annuity shall be reduced by one-half of one percent for each full month that the date as of which payment of such Annuity commences precedes the first day of the month following the month in which the Constituent Plan Participant would have attained his Normal Retirement Date. Any selection of a distribution date pursuant to this paragraph shall be made by written instrument delivered by the Surviving Spouse to the Pension Administrative Committee at least 30 days before the selected date.

(d) For purposes of determining the nonforfeitable interest in the portion of the Combined Benefit earned under the Foley Hourly Plan as of the Merger Date by any Constituent Plan Participant (under the vesting provisions of the Foley Hourly Plan), and for purposes of determining his nonforfeitable interest in the Accrued Benefit earned under this Plan from and after the Merger Date (under the vesting provisions of this Plan):

(i) such Constituent Plan Participant shall receive credit for periods of employment with Foley-ASC, Inc., calculated in accordance with the terms of the Foley Hourly Plan and this Plan, respectively, from and after his date of hire by Foley-ASC, Inc., or its corporate predecessors, and up to and including September 24, 1984; and

(ii) such Constituent Plan Participant shall receive credit for periods of employment with the Company, calculated in accordance with the terms of the Foley Hourly Plan and this Plan, respectively, from and after September 24, 1984.

(e) For purposes of determining the portion of a Combined Benefit earned under the Foley Hourly Plan as of the Merger Date by any Constituent Plan Participant:

(i) such Participant shall receive credit for periods of employment with Foley-ASC, Inc., calculated in accordance

with the terms of the Foley Hourly Plan, from and after the date such Participant became a participant in the Foley Hourly Plan and up to and including September 24, 1984; and

(ii) such Participant shall receive credit for periods of employment with the Company, calculated in accordance with the terms of the Foley Hourly Plan, from and after September 24, 1984 and up to and including June 30, 1985.

(f) Subject to Article XIV, for purposes of determining the Accrued Benefit earned under this Plan by a Constituent Plan Participant from and after the Merger Date, such Participant shall receive credit only for periods of employment with the Company, calculated in accordance with the terms hereof, from and after July 1, 1985.

(g)(1) The following service provisions shall apply to a Constituent Plan Participant whose termination of employment with all Employers occurred prior to January 1, 1993:

(i) Vesting Service is based upon each Plan Year during which the Constituent Plan Participant completed 1,000 or more Hours of Service. For this purpose, no Hour of Service was counted if, prior to January 1, 1985, it occurred in a Plan Year prior to the Plan Year in which the Constituent Plan Participant's 22nd birthday occurred or, commencing January 1, 1985, it occurred in a Plan Year prior to the Plan Year in which the 18th birthday of the Constituent Plan Participant occurred.

(ii) Credited Service means each Plan Year in which the Constituent Plan Participant earned a certain number of Hours of Service in a Plan Year in accordance with the following table:

Hours of Service in a Plan Year	Year of Credited Service
1,800 or more	1.0
1,600 to 1,799	.9
1,400 to 1,599	.8
1,200 to 1,399	.7
1,000 to 1,999	.6
800 to 999	.5
799 or less	0

Only service while the Constituent Plan Participant was paid on a factory hourly basis by Foley - ASC, Inc. or the Company as a Participant in the Foley Hourly Plan or this Plan was counted as Credited Service. Credited Service commenced on the first day of the month following the date on which the Constituent Plan Participant completed one Eligibility Year of Service. In the Plan Year in which the Constituent Plan Participant became a Participant in the Foley Hourly Plan or this Plan, his Hours of Service were annualized and he received the portion of a year of Credited Service determined by multiplying his annualized Hours of Service by a fraction, the

numerator of which was the number of months he was a Participant in such Plan Year and the denominator of which was 12. In the Plan Year in which the Constituent Plan Participant terminated service on a factory hourly basis with Foley-ASC, Inc., or the Company or any other Employer, Hours of Service were annualized and the Constituent Plan Participant received credit for the portion of a year of Credited Service determined by multiplying the annualized Hours of Service by a fraction, the numerator of which was the number of months in which he was a Participant in such Plan Year, and the denominator of which was 12.

(2) Vesting Service and Credited Service with respect to Constituent Plan Participants whose termination of employment with all Employers occurs on or after January 1, 1993 shall be based upon the definitions set forth in Article II of the Plan, and the applicable provisions of this Section 13.04.

13.05 SPECIAL PROVISIONS RELATING TO MIRRO HOURLY PLAN. (a) From November 1, 1947 through September 1, 1983, benefits earned under the Mirro Hourly Plan were funded through a Group Annuity Contract, No. GA-379 issued by Aetna Life Insurance Company, which provided for the issuance of deferred annuities covering the accrued benefits of participants. Effective September 1, 1983, contributions to the Mirro Hourly Plan were permanently discontinued and all benefits accrued thereunder as of September 1, 1983 became nonforfeitable. As of such date, participants under the Mirro Hourly Plan, and other nonclerical hourly-paid employees of Mirro Corporation, became eligible to participate in this Plan in accordance with the terms of this Plan. Effective July 1, 1985, Group Annuity Contract No. GA-379 was converted into an immediate participation guaranteed contract issued by Aetna Life Insurance Company. The portion of the Combined Benefit earned under the Mirro Hourly Plan by any Constituent Plan Participant as of the Merger Date is currently maintained in the form of deferred annuities purchased for such Participant pursuant to the terms of Group Annuity Contract No. GA-379 and held under the terms of such immediate participation guaranteed contract. The amount, and manner and time of payment, of such portion of the Combined Benefit of a Constituent Plan Participant earned under the Mirro Hourly Plan as of the Merger Date, shall be governed by the provisions of such immediate participation guaranteed contract and the deferred annuities maintained under such contract.

(b) For purposes of determining the Accrued Benefit for Participants who are employed by Mirro Corporation, such Participants shall receive credit for periods of employment with Mirro Corporation from and after September 1, 1983 and not for periods of employment with Mirro Corporation prior to September 1, 1983. For purposes of determining such Participants' nonforfeitable interest in their accrued benefits, and their eligibility to participate in this Plan, such Participants shall receive credit for all periods of employment with Mirro Corporation; provided that no such Participant shall be eligible to participate in this Plan prior to September 1, 1983.

ARTICLE XIV

PROVISIONS RELATING TO CERTAIN PARTICIPANTS

14.01 SCOPE.

The provisions of this Article XIV shall apply to certain Participants as indicated herein. This Article shall control any inconsistent provisions of this Plan with respect to such Participants and will supplement the other provisions of this Plan.

14.02 BENEFIT FORMULAS FOR EMPLOYEES OF FOLEY DIVISION, THOMAS DIVISION AND LAPCOR. Notwithstanding the definition of "Accrued Benefit" contained in Article II, and the provisions of Section 4.01 of this Plan, the benefits payable under Articles IV and V with respect to Participants subject to this Section shall be computed on the basis of a Normal Retirement Benefit under which a Participant who Retires on his Normal Retirement Date shall be entitled to receive a monthly pension for the remainder of his life equal to the following:

(i) In the case of any such Participant who is employed by the Foley Division of the Company at the date of his termination of employment with all Employers: (A) If the termination of employment with all Employers occurred prior to April 1, 1986, $8.00 multiplied by the Participant's years of Credited Service earned from and after the applicable date set forth in Section 13.04(e); (B) if the termination of employment with all Employers occurred on or after April 1, 1986 and before April 1, 1990, $8.50 multiplied by the Participant's years of Credited Service earned from and after the applicable date set forth in Section 13.04(e); (C) If the termination of employment with all Employers occurred on or after April 1, 1990 and before April 1, 1991, $9.00 multiplied by the Participant's years of Credited Service earned from and after the applicable date set forth in Section 13.04(e); (D) If the termination of employment with all Employers occurred on or after April 1, 1991 and before April 1, 1992, $9.50 multiplied by the Participant's years of Credited Service earned from and after the applicable date set forth in Section 13.04(e); (E) If the termination of employment with all Employers occurred on or after April 1, 1992 and before January 1, 1993, $10.00 multiplied by the Participant's years of Credited Service earned from and after the applicable date set forth in Section 13.04(e); and (F) If the termination of employment with all Employers occurs on or after January 1, 1993, the sum of (i) $10.00 multiplied by the Participant's years of Credited Service earned from and after the applicable date set forth in Section 13.04(e) and prior to January 1, 1993, and (ii) the amount determined pursuant to the formula set forth in Section 4.01(b) of the Plan and Exhibit D with respect to Credited Service earned from and after January 1, 1993.

(ii) In the case of any such Participant who is employed by Lapcor Plastics, Inc. at the date of his termination of employment with all Employers: (A) If the termination of employment with all Employers occurred prior to April 1, 1988, $8.00 multiplied by the Participant's years of Credited Service earned from and after April 1, 1984, (B) If the termination of employment with all Employers occurred on or after April 1, 1988 and before April 1, 1990, $8.50 multiplied by the Participant's years of Credited Service earned from and after April 1, 1984; (C) If the termination of employment with all Employers occurred on or after April 1, 1990 and before April 1, 1991, $9.00 multiplied by the Participant's years of Credited Service earned from and after April 1, 1984; (D) If the termination of employment with all Employers occurred on or after April 1, 1991 and before April 1, 1992, $9.50 multiplied by the Participant's years of Credited Service earned from and after April 1, 1984; (E) If the termination of employment with all Employers occurred on or after April 1, 1992, and before January 1, 1993, $10.00 multiplied by the Participant's years of Credited Service earned from and after April 1, 1984, and (F) If the termination of employment with all Employers occurs on or after January 1, 1993, the sum of (1) $10.00 multiplied by the Participant's years of Credited Service earned from and after April 1, 1984 and prior to January 1, 1993, plus (ii) the amount determined pursuant to the formula set forth in Section 4.01(b) of the Plan and Exhibit D with respect to Credited Service earned from and after January 1, 1993. For purposes of determining any such Participant's Vesting Service with respect to any such Benefit, all periods of employment with Lapcor Plastics, Inc. shall be considered.

(iii) In the case of any such Participant who is employed by the Thomas Division of the Company at the date of his termination of employment with all Employers, $6.50 multiplied by the Participant's years of Credited Service earned from and after December 5, 1988, not in excess of 30 years.

14.03 SPECIAL PROVISIONS RELATING TO EMPLOYEES OF THE THOMAS DIVISION. The following provisions shall apply to a Participant who is employed by the Thomas Division of the Company ("Thomas Participant") notwithstanding any provision of the Plan to the contrary:

(a) The Early Retirement Date of a Thomas Participant shall mean the first day of a calendar month following the month in which the Thomas Participant completes at least ten (10) years of Vesting Service, attains age sixty (60) and elects, by written notice delivered to the Pension Administrative Committee at least thirty (30) days in advance of such Date, to Retire prior to his Normal Retirement Date. Each Thomas Participant who Retires on his Early Retirement Date shall be entitled to receive a monthly benefit for the remainder of his lifetime equal to his Accrued Benefit upon such Early

Retirement Date, reduced pursuant to the following table to reflect the period between the date such benefit payments commence and his Normal Retirement Date. A Thomas Participant shall not be entitled to a benefit pursuant to Section 4.03 of the Plan.

Years by Which Early Retirement Date Precedes Normal Retirement Date	Percentage of Benefit
0	100%
1	88.64%
2	78.79%
3	70.21%
4	62.72%
5	56.15%

(b) The benefit payable to a Thomas Participant pursuant to Section 4.04 shall be payable on the first day of the month following his Normal Retirement Date; provided that if the Thomas Participant has completed ten (10) years of Vesting Service at his Severance Date he shall be entitled to receive his benefit on the first day of any month he selects commencing on or after his Early Retirement Date and prior to his Normal Retirement Date, reduced pursuant to the table set forth in paragraph (a) of this Section to reflect the period between the date payments commence and his Normal Retirement Date. Any selection of a distribution date pursuant to the preceding sentence shall be made by written instrument delivered by the Thomas Participant to the Pension Administrative Committee at least thirty (30) days before the selected date.

(c) The Surviving Spouse of a deceased Thomas Participant who completed ten years of Vesting Service at his Severance Date shall have the right to request that payment of the Qualified Preretirement Survivor Annuity payable with respect to such Thomas Participant, pursuant to Section 4.07(b) of the Plan, be deferred until the first day of any month after the date that payment of the Preretirement Qualified Survivor Annuity would otherwise have commenced, up to and including the first day of the month following the date that would have been the Thomas Participant's sixty-fifth (65th) birthday. Any such request may be revoked by the Surviving Spouse by a subsequent written request delivered to the Pension Administrative Committee at least thirty (30) days prior to the date selected for commencement in the request to be revoked. Any payment pursuant to this paragraph shall be reduced pursuant to the table set forth in paragraph (a) of this Section to reflect the period between the date such payments commence and the date the Thomas Participant would have attained age sixty-five (65).

(d) If a Thomas Participant becomes Permanently and Totally Disabled after he completes fifteen (15) years of Vesting Service and has attained the age of fifty (50) years, he shall be entitled to a Disability Retirement Benefit pursuant to the terms of this paragraph. The monthly amount of such Disability Retirement Benefit shall be the sum of $50 reduced by any amounts received by the Thomas Participant from Workers Compensation or any disability plan or program funded by

amounts paid by the Company or any Affiliated Company. A Thomas Participant shall be deemed to be Permanently and Totally Disabled only if a physician selected by the Company or an Affiliated Company shall have found, on the basis of medical evidence, that he has been Permanently and Totally Disabled by illness or injury so as to be prevented thereby from engaging in any employment or occupation for compensation and profit, and that his Total and Permanent Disability will presumably be permanent and continuous during the remainder of his life. In any case when the physician selected by the Company or an Affiliated Company is required to make a finding with respect to the Permanent and Total Disability of any Thomas Participant applying for, or claiming or receiving, any Disability Retirement Benefit, such Thomas Participant shall be required to submit to such examination as shall be necessary for such physician to determine whether he is Permanently and Totally Disabled and, when relevant, when his disability began. The medical opinion of such physician shall decide the question and shall be conclusive and binding for purposes of this paragraph upon all persons as to the condition of such Thomas Participant. A Thomas Participant who shall refuse to submit to any physical examination required hereunder shall not be entitled to receive any Disability Retirement Benefit for as long as he refuses to submit to such examination. Any Thomas Participant who shall be receiving a Disability Retirement Benefit shall be required to submit to a disability examination in the manner set forth above for the purpose of determining his condition whenever such examination is requested by the Company or an Affiliated Company. If the physician selected by the Company or an Affiliated Company shall find that the Thomas Participant ceased, before attaining age sixty-five (65), to be Permanently and Totally Disabled, his Disability Retirement Benefit shall stop. The Disability Retirement Benefit shall commence on the first day of the month after at least six consecutive months shall have elapsed since the date on which the Permanent and Total Disability began. After a Disability Retirement Benefit begins, it shall continue until the first to occur of (1) the date of the Thomas Participant's death, (2) the date on which the Thomas Participant ceases to be Permanently and Totally Disabled and (3) the date the Thomas Participant commences receiving a Normal Retirement Benefit, an Early Retirement Benefit or a vested Accrued Benefit pursuant to the applicable section of the Plan.

(e) The optional forms applicable to the benefit payable to a Thomas Participant hereunder, shall, in lieu of those optional forms set forth in Article V of the Plan, include the following options as the Thomas Participant may elect, with the consent of his Eligible Spouse if applicable, pursuant to Article V:

(1) STRAIGHT-LIFE ANNUITY. A monthly benefit payable to the Thomas Participant for his lifetime only.

(2) JOINT AND SURVIVOR. A monthly benefit payable to the Thomas Participant for the joint lives of the Thomas Participant and his Eligible Spouse, or any other Beneficiary designated by the Participant in a written instrument filed with the Pension Administrative Committee before his death, and thereafter to the Eligible Spouse or Beneficiary if such Eligible Spouse or

Beneficiary survives the Thomas Participant, in an amount equal to 50% or 75% (as designated by the Thomas Participant in a written instrument filed with the Pension Administrative Committee) of the amount payable during their joint lives.

(3) LEVEL INCOME OPTION. A Thomas Participant who Retires after attaining age sixty (60), and before reaching the earliest age at which a retired worker may elect to receive his old age benefits under the U.S. Social Security Act, may elect (in accordance with procedures established by the Pension Administrative Committee), to have the amount of his benefit otherwise payable to him increased before such earliest age and decreased thereafter to the end that his benefit, when combined with his old age benefits under the U.S. Social Security Act (as in effect at his Retirement) in the amount estimated to be payable beginning at such earliest age, will provide a level amount of benefit insofar as practicable. A Thomas Participant's election of the Level Income Option shall become void if he does not become entitled to a benefit under the Plan.

(f) The benefits applicable to a Thomas Participant shall be based upon the assumptions and methods set forth in the attached schedules applicable to Thomas Participants.

14.04 SPECIAL PROVISIONS RELATING TO EMPLOYEES OF THE MASTERSET (EZ PAINTR) UNIT. Notwithstanding any provision of the Plan to the contrary, Covered Compensation, as defined in Article II, with respect to a Participant who is a member of Masterset (EZ Paintr) Upholsterers, United Steelworkers of America, Local 29, shall include any annual lump sum payment that is agreed upon between the Company or any Affiliated Company and the collective bargaining representative for such Participant, in lieu of, or in addition to, a base pay increase.

14.05 SPECIAL PROVISIONS RELATING TO CLERICAL UNION EMPLOYEES AT CONNELLSVILLE, PENNSYLVANIA. The following provisions shall apply to a Participant who is a member of International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America Local Union 491 at Connellsville, Pennsylvania ("Connellsville Participant") notwithstanding any provision of the Plan to the contrary:

(a) Covered Compensation, as defined in Article II, with respect to a Connellsville Participant, shall include any bonus (whether paid or deferred pursuant to the Company's Incentive Bonus Plan) up to $3,000 in any Plan Year.

(b) Special Survivor Annuity.

(i) Upon the death of a Connellsville Participant:

(A) Who has attained his thirty-fifth (35th) birthday,

(B) Who has completed at least five (5) years of Vesting Service, and

(C) Whose Vesting Service is terminated by such death,

his Surviving Spouse shall be entitled to receive a monthly pension equal to the retirement benefit determined for the Connellsville Participant as set forth in Section 4.01 above based on Credited Service (as limited by subsection 4.01(e)) as of the date of his death, commencing on the first day of the month next following the death of such Connellsville Participant and ending with the earliest to occur of: (i) such Surviving Spouse's death, (ii) such Surviving Spouse's remarriage if, at the time of such remarriage, there are one or more Dependent Children of such Participant entitled to receive a benefit under paragraph (c) below, or (iii) the date when the aggregate number of monthly payments that were made to such Surviving Spouse pursuant to this paragraph (b), and to the Participant's Dependent Children pursuant to paragraph (c) below, equals one hundred twenty (120). Notwithstanding the foregoing, if a Surviving Spouse's benefit under this paragraph (b) terminates by her remarriage and, prior to the time that one hundred twenty (120) payments have been made pursuant to this paragraph (b) and paragraph (c) below, there are no longer any Dependent Children of the applicable Connellsville Participant remaining, the Surviving Spouse (if still living) shall again become eligible to receive the benefit described in this paragraph (b), commencing on the first day of the month next following the month in which the benefit under paragraph (c) ceased to be paid and ending with the earlier to occur of: (i) such Surviving Spouse's death, or (ii) the date when the aggregate number of monthly payments that were made to such Surviving Spouse pursuant to this paragraph (b), and to the Participant's Dependent Children pursuant to paragraph (c) below, equals one hundred twenty (120).

In any month in which a Surviving Spouse is eligible to receive a monthly pension both under this paragraph (b) and under subsection 4.07(a), such Surviving Spouse shall receive whichever monthly pension amount is the greater, but not both, during the period of time that the monthly pension is payable to the Surviving Spouse under this paragraph (b).

Notwithstanding the provisions of subsection 4.07(a), the amount of the Qualified Preretirement Survivor Annuity payable under subsection 4.07(a) with respect to a Connellsville Participant shall be reduced by the Actuarial Equivalent of any payments made to his

Surviving Spouse in accordance with this paragraph (b) prior to the commencement of payment of the Qualified Pre-retirement Survivor Annuity pursuant to subsection 4.07(a).

(c) Surviving Dependent Children's Benefit. Upon the death of a Connellsville Participant:

(i) who has attained his thirty-fifth (35th) birthday,

(ii) who has completed at least five (5) years of Vesting Service,

(iii) whose Vesting Service is terminated by such death,

(iv) who is not survived by a Surviving Spouse, and

(v) who is survived by one or more of his unmarried children (including posthumous children, and adopted children but only those adopted at least one (1) year prior to the date of his death) under the age of eighteen (18) years at the date of his death or, at the date of his death, under the age of twenty-two (22) years while then attending school or college full-time (in this Section 14.05 called "Dependent Children");

or upon the death or remarriage of such a Connellsville Participant's said Surviving Spouse who is receiving, or entitled to receive, a benefit under paragraph (b) above, the Dependent Children of such Connellsville Participant shall be entitled to a monthly pension benefit equal in the aggregate to the monthly pension benefit which was being paid or would have been payable to such Connellsville Participant's said unremarried Surviving Spouse under paragraph (b) above. The payment for any month shall be payable in equal shares to those persons who meet the definition of "Dependent Children" with respect to such Connellsville Participant as of the last day of the preceding month and as of the date of his death. Such surviving Dependent Children's pension benefit shall be payable on the first day of each month commencing with the month next following the month in which such Connellsville Participant or such Connellsville Participant's Surviving Spouse dies, or such Surviving Spouse remarries, as the case may be, and ending with the earlier to occur of (i) the last payment prior to the time when there are no longer any Dependent Children remaining; or (ii) the date when the aggregate number of monthly payments that were made to such Connellsville Participant's said Surviving Spouse pursuant to paragraph (b) above, and to his Dependent Children pursuant to this paragraph (c), equals one hundred twenty (120).

14.06 SPECIAL PROVISIONS RELATING TO EMPLOYEES OF THE METAL CLOSURE PLANT IN GLASSBORO, NEW JERSEY. The following provisions apply to a Participant who is employed at the Metal Closure Plant at Glassboro, New Jersey and is a member of the Glass Molders, Pottery, Plastics & Allied Workers International Union, Local 4 ("Glassboro

Participant") notwithstanding any provision of the Plan to the contrary:

A. A Glassboro Participant who was eligible to participate in the Anchor Hocking Service Retirement Plan dated January 1, 1955 on March 31, 1992 became a Participant in this Plan on April 1, 1992.

B. Covered Compensation, as defined in Article II, with respect to a Glassboro Participant shall (1) include straight time wages lost due to attendance as an official delegate to the convention of the GMP (limited to 3 weeks for up to 1 employee per 100 or part thereof, not more frequently than one year out of every four), (2) any straight time wages lost due to collective bargaining negotiations over a renewal agreement (for up to four employees), up to forty hours per week, calculated by multiplying the wage rate at the time of leave, and (3) straight time wages included in overtime pay.

14.07 SPECIAL PROVISIONS RELATING TO ANCHOR HOCKING GLASS COMPANY, MEMBERS OF AMERICAN FLINT GLASS WORKERS UNION, AFL-CIO, LOCAL UNION 73 (MOLD MAKER PARTICIPANTS). The following provisions shall apply to a Participant who is an Anchor Hocking Glass Company employee and a member of American Flint Glass Workers Union, AFL-CIO, Local Union 73 ("Mold Maker Participant") notwithstanding any provision of the Plan to the contrary:

A. A Mold Maker Participant who was eligible to participate in either the Anchor Hocking Service Retirement Plan dated January 1, 1955 ("1/1/55 Plan") or the Anchor Hocking Contributory Service Retirement Plan dated October 1, 1986 ("10/1/86 Plan") on December 31, 1992 became a Participant in this Plan on January 1, 1993.

B. Covered Compensation, as defined in Article II, with respect to a Mold Maker Participant, shall include straight-time wages included in overtime pay.

C. A Mold Maker Participant who attained age fifty-five (55) and completed ten (10) years of Vesting Service on October 1, 1992, and who Retires on or after January 1, 1993 and on or before September 1, 1995, will receive a monthly Normal Retirement Benefit equal to the greater of (1) or (2) and reduced by (3):

(1) The sum of (a) his Accrued Benefit under this Plan, based upon Credited Service earned from and after January 1, 1993, plus (b) his accrued benefit earned under either the 1/1/55 Plan or the 10/1/86 Plan as of December 31, 1992,

(2) The sum of (a) the benefit he would have earned, based upon Benefit Service (as defined in the 1/1/55 Plan or the 10/1/86 Plan) earned before and after January 1, 1993, and the benefit level existing on September 30, 1992 in

either the 1/1/55 Plan or the 10/1/86 Plan in which the Mold Maker Participant was participating on September 30, 1992, plus (b) the benefit he would have earned in (a) based on an additional $2 benefit level,

(3) The accrued benefit earned under the 1/1/55 Plan or the 10/1/86 Plan as of December 31, 1992.

The Normal Retirement Benefit described in this paragraph C shall be reduced to reflect commencement prior to the Normal Retirement Date of a Mold Maker Participant as follows:

(1) The reduction applicable under Section 4.03 of this Plan shall apply to the portion of the benefit described in clause 1(a) of this paragraph C, and

(2) The reduction factor set forth in the 1/1/55 Plan on January 1, 1993 shall apply to the portions of the benefit described in clauses 1(b) , (2) and (3) of this paragraph C.

14.08 SPECIAL PROVISIONS RELATING TO PHOENIX EMPLOYEES AT MONACA, PENNSYLVANIA ("PHOENIX PARTICIPANTS"). The following provisions shall apply to a Participant who is a member of American Flint Glass Workers of America, AFL-CIO, Local Unions 36, 67, 512 and 544 at Monaca, Pennsylvania ("Phoenix Participant") notwithstanding any provision of the Plan to the contrary:

A. A Phoenix Participant who was a participant in the Phoenix Hourly Retirement Plan ("Phoenix Plan") on December 31, 1990 became a Participant in this Plan as of January 1, 1991.

B. Covered Compensation, as defined in Article II, with respect to a Phoenix Participant, shall include straight-time wages included in overtime pay. Covered Compensation shall include any lump sum payment that is agreed upon between the Company or any Affiliated Company and the collective bargaining representative for a Phoenix Participant, in lieu of a base pay increase, and shall, for the period from January 1, 1991 through September 30, 1993, not include any other lump sum payments, bonuses, shift differentials, premium portions of overtime pay or severance pay.

C. A Phoenix Participant who attained age sixty (60) and completed ten (10) years of Vesting Service, and who Retired on or after January 1, 1991 and prior to January 1, 1993 shall receive a monthly Normal Retirement Benefit equal to the greater of:

(1) The sum of (a) his Accrued Benefit under this Plan, based upon Credited Service earned from and after January 1, 1991, plus (b) his accrued benefit earned under the Phoenix Plan as of December 31, 1990, or

(2) $13 multiplied by the number of his years and months of Credited Service earned both before and after January 1, 1991.

The Normal Retirement Benefit described in this paragraph C shall be reduced to reflect commencement prior to the Normal Retirement Date of a Phoenix Participant as follows:

(1) The reduction applicable under Section 4.03 of this Plan shall apply to the portion of the benefit described in clause 1(a) of this paragraph C, and

(2) The reduction factor set forth in the Phoenix Plan on January 1, 1991 shall apply to the portions of the benefit described in clauses 1(b) and (2) of this paragraph C.

14.09 SPECIAL PROVISIONS RELATING TO PLASTICS EMPLOYEES AT ST. PAUL, MINNESOTA. The following provisions shall apply to a Participant who is employed by Anchor Hocking Plastics in St. Paul, Minnesota and is a member of the International Association of Machinists, AFL-CIO, District Lodge No. 77 ("Plastics Participant") notwithstanding any provision of the Plan to the contrary:

A. A Plastics Participant who was eligible to participate in the Anchor Hocking Service Retirement Plan dated January 1, 1955 ("1/1/55 Plan") on December 31, 1992 became a Participant in this Plan on January 1, 1993.

B. Covered Compensation, as defined in Article II, with respect to a Plastics Participant shall be based upon straight-time wages during a regular work week.

C. A Plastics Participant who attained age fifty-seven (57) and completed ten (10) years of Vesting Service on January 1, 1993 will receive a monthly Normal Retirement Benefit equal to the greater of (1) or (2) and reduced by (3):

(1) The sum of (a) his Accrued Benefit under this Plan, based upon Credited Service earned from and after January 1, 1993, plus (b) his accrued benefit earned under the 1/1/55 Plan as of December 31, 1992,

(2) The sum of (a) the benefit he would have earned, based upon Benefit Service (as defined in the 1/1/55 Plan) earned prior to November 1, 1991 multiplied by $11, plus (b) the benefit he would have earned, based upon Benefit Service (as defined in the 1/1/55 Plan) earned from and after November 1, 1991 to his date of Retirement or his Severance Date multiplied by $12.

(3) The accrued benefit earned under the 1/1/55 Plan as of December 31, 1992.

The Normal Retirement Benefit described in this paragraph C shall be reduced to reflect commencement prior to the Normal Retirement Date of a Plastics Participant as follows:

(1) The reduction applicable under Section 4.03 of this Plan shall apply to the portion of the benefit described in clause (1)(a) of this paragraph C, and

(2) The reduction factor set forth in the 1/1/55 Plan on January 1, 1993 shall apply to the portions of the benefit described in clauses (1)(b) , (2) and (3) of this paragraph C.

Notwithstanding any other provisions of this Plan, the entire benefit described in this paragraph C shall, at the written election of a Plastics Participant, delivered to the Pension Administrative Committee, be payable as of the first day of any month commencing on or after the date of his Retirement or his Severance Date, whichever is applicable.

14.10 SPECIAL PROVISIONS RELATING TO CLERICAL, NON-UNION HOURLY EMPLOYEES AT COUNSELOR COMPANY. Notwithstanding any provision of the Plan to the contrary, each Participant who was a clerical, non-union, hourly employee of Counselor Company in Rockford, Illinois on October 27, 1993 is entitled to receive a monthly benefit equal to his entire Accrued Benefit as of his Severance Date, determined pursuant to the provisions of Section 4.04 and other applicable provisions of the Plan without regard to the number of years of Vesting Service completed by such Participant on such date.

14.11 SPECIAL PROVISIONS RELATING TO CERTAIN EMPLOYEES OF PACKAGING DIVISION OF ANCHOR HOCKING CORPORATION. For purposes of this Section, Transferred Employees shall mean all Employees who were actively employed (including Employees on authorized leave of absence, disability leave, military service or layoff with recall rights) by the Packaging Division of Anchor Hocking Corporation at its locations in Weirton, West Virginia, Connellsville, Pennsylvania and Glassboro, New Jersey on December 31, 1992 ("Transfer Date"). Notwithstanding any other provisions of the Plan, the following provisions of this Article shall apply to Transferred Employees:

(a) Accrued Benefits and Credited Service of Transferred Employees shall cease, and Transferred Employees shall be considered to have attained their Severance Dates, as of the Transfer Date.

(b) Notwithstanding paragraph (a) above, a Transferred Employee who commenced employment with CarnaudMetalbox Holdings (USA), Inc., a Delaware corporation, any successor thereto or any affiliates thereof ("Subsequent Employer") on the Transfer Date, and whose employment with the Subsequent Employer terminates for any reason at any time after the Transfer Date, shall receive credit for actual service with the Subsequent Employer after the Transfer Date for purposes of determining Vesting Service and attainment of requirements for an early retirement benefit under Section 4.03 of the Plan, but shall not receive credit for any period of service with the Subsequent

Employer from and after the Transfer Date for purposes of determining Credited Service, his Normal Retirement Benefit or his Accrued Benefit under the Plan.

(c) If a Transferred Employee terminates employment with the Subsequent Employer after the Transfer Date, but prior to qualifying for an early retirement benefit payable pursuant to Section 4.03, a vested Accrued Benefit pursuant to Section 4.04, or payment of a vested Accrued Benefit prior to a Normal Retirement Date pursuant to Section 4.05(a), and he is later reemployed by the Subsequent Employer, the Transferred Employee shall receive credit for actual service with the Subsequent Employer before and after his later reemployment for purposes of determining Vesting Service and satisfaction of requirements for such benefit, to the extent provided by the Break in Service provisions in the definition of Vesting Service in Article II of the Plan, but shall not receive credit for service after such reemployment for purposes of determining Credited Service, his Normal Retirement Benefit, or his Accrued Benefit under the Plan. The age of the Transferred Employee for purposes of determining his eligibility for payment of a benefit shall be his age at the time he initially terminates employment with the Subsequent Employer, or at the time he later terminates employment with the Subsequent Employer after an initial termination and a reemployment, as the case may be.

ARTICLE XV

PROVISIONS RELATING TO ADDITIONAL MERGERS OF PLANS

15.01 DEFINITIONS. For purposes of this Article, the following words and phrases shall have the meanings set forth below:

(a) "Actuarial Equivalent" shall mean, with respect to each Merged Plan, the Shenango Plan and the Sanford Plan, the equality in value of aggregate amounts expected to be received under different forms of payment, or to be received at different dates, determined on the basis of the assumptions and methods set forth in the attached schedule applicable to each Merged Plan, to the Shenango Plan, and to the Sanford Plan, as of the applicable Plan Merger Date.

(b) "Amerock Plan" shall mean the Amerock Corporation Supplemental Retirement Benefit Plan.

(c) "Anchor Hocking Plan" shall mean the Anchor Hocking Service Retirement Plan for Hourly Employees.

(d) "Benefit Accrual Date" shall mean January 1, 1989 with respect to each of the Amerock Plan, the Anchor Hocking Plan, and the Newell Plan, January 1, 1991 with respect to the Phoenix Plan, and January 1, 1993, with respect to each of the Sanford Plan and the Sterling Plan.

(e) "Merged Plan" shall mean each of the Amerock Plan, the Anchor Hocking Plan, the Phoenix Plan, the Newell Plan, and the Sterling Plan.

(f) "Merged Plan Benefit' shall mean the portion of the Total Benefit earned by a Merged Plan Participant under a Merged Plan as of the applicable Plan Merger Date that has not been fully distributed to, or used to purchase an annuity distributed to, the Merged Plan Participant.

(g) "Merged Plan Participant" shall mean any person who has earned an accrued benefit under a Merged Plan, as of the applicable Plan Merger Date, if such benefit has not been fully distributed to, or an annuity has not been purchased for and distributed to, the Merged Plan Participant with respect to such accrued benefit as of the Plan Merger Date.

(h) "Newell Plan" shall mean the Newell Pension Plan for Factory and Distribution Hourly Paid Employees as in effect prior to the Plan Merger Date.

(i) "Plan Merger Date" shall mean September 1, 1991 with respect to each of the Amerock Plan, the Anchor Hocking Plan, the Phoenix Plan, the Newell Plan and the Shenango Plan, and December 1, 1992 with respect to the Sanford Plan and the Sterling Plan.

(j) "Phoenix Plan" shall mean the Phoenix Hourly Plan.

(k) "Sanford Plan" shall mean the Sanford Corporation Union Pension Plan.

(l) "Sanford Plan Benefit" shall mean the benefit earned by a Sanford Plan Participant under the Sanford Plan both before and after the Plan Merger Date that has not been fully distributed to, or used to purchase an annuity distributed to, the Sanford Plan Participant.

(m) "Sanford Plan Participant" shall mean any person who participates in the Sanford Plan.

(n) "Shenango Plan" shall mean the Pension Plan for Hourly Paid Employees of the Shenango China Division of Anchor Hocking Corporation as in existence on the Plan Merger Date.

(o) "Shenango Plan Benefit" shall mean the portion of the Total Benefit earned by a Shenango Plan Participant under the Shenango Plan as of the Plan Merger Date that has not been fully distributed to, or used to purchase an annuity distributed to, the Shenango Plan Participant.

(p) "Shenango Plan Participant" shall mean any person who has earned an accrued benefit under the Shenango Plan as of the Plan Merger Date, if such benefit has not been fully distributed to, or an annuity has not been purchased for and distributed to, the Shenango

Plan Participant with respect to such accrued benefit as of the Plan Merger Date.

(q) "Sterling Plan" shall mean the Sanford Corporation Retirement Plan for Non-Bargaining Hourly Employees of Sterling Plastics.

(r) "Total Benefit" shall mean the sum of a Participant's Accrued Benefit as defined in Article II of this Plan earned from and after the applicable Benefit Accrual Date, his Merged Plan Benefit, if any, and his Shenango Plan Benefit, if any.

15.02 GENERAL.

(a) Effective as of the applicable Plan Merger Date, the assets held in trust under each of the Merged Plans and the Sanford Plan were merged with and into the assets held in trust under this Plan. In connection with these mergers, this Plan assumed all liabilities to Merged Plan Participants and Sanford Plan Participants for Merged Plan Benefits and Sanford Plan Benefits. Effective as of the Plan Merger Date, the Shenango Plan was renamed the Newell Pension Plan for Factory and Distribution Hourly Paid Employees. This Article sets forth special rules applicable to Merged Plan Participants, Shenango Plan Participants and Sanford Plan Participants under this Plan and will supplement the other provisions of this Plan with respect to such Merged Plan Participants in connection with their Merged Plan Benefits, with respect to such Shenango Plan Participants in connection with their Shenango Plan Benefits and with respect to such Sanford Plan Participants in connection with their Sanford Plan Benefits. The provisions of this Article shall be applied to Merged Plan Benefits, Shenango Plan Benefits, and Sanford Plan Benefits, as the case may be, notwithstanding, and in lieu of, any other provision contained elsewhere in this Plan.

(b) The merged assets of the Merged Plans and the Sanford Plan shall be used to provide benefits with respect to all Participants under this Plan, including Merged Plan Participants, Shenango Plan Participants and Sanford Plan Participants.

(c) The Total Benefit or Sanford Plan Benefit, on a termination basis (within the meaning of Treasury Regulation Section 1.414(l)), to which any Merged Plan Participant or Sanford Plan Participant is entitled under this Plan shall, immediately after the applicable Plan Merger Date, be equal to or greater than the benefit to which such Merged Plan Participant or Sanford Plan Participant was entitled, on a termination basis, under the applicable Merged Plan or Sanford Plan immediately prior to the applicable Plan Merger Date. The Total Benefit to which any Shenango Plan Participant is entitled under this Plan shall, immediately after the Plan Merger Date, be equal to or greater than the benefit to which such Shenango Plan Participant was entitled under the Shenango Plan immediately prior to the Plan Merger Date. This subsection (c) shall not be construed to increase or decrease the nonforfeitable benefit accrued for any Merged Plan Participant or Sanford Plan Participant under the applicable Merged Plan, the Sanford Plan or under this Plan, as of the applicable

Plan Merger Date, or for any Shenango Plan Participant under the Shenango Plan, or under this Plan, as of the Plan Merger Date. This Article XV shall be administered consistent with the requirements of Sections 411 and 414(l) of the Code, and the Treasury Regulations promulgated thereunder.

(d) A Merged Plan Participant or Sanford Plan Participant who becomes a Participant under this Plan shall be deemed to have satisfied the requirements for a pension under Section 4.04 hereof for purposes of eligibility for a Qualified Preretirement Survivor Annuity under Section 4.07(a) hereof if he has a nonforfeitable interest in a Total Benefit or a Sanford Plan Benefit. A Shenango Plan Participant who remains a Participant under this Plan shall be deemed to have satisfied the requirements for a pension under Section 4.04 hereof for purposes of eligibility for a Qualified Preretirement Survivor Annuity under Section 4.07(a) hereof if he has a nonforfeitable interest in a Total Benefit. The Qualified Preretirement Survivor Annuity payable under Section 4.07(a) with respect to (1) a Merged Plan Participant or a Shenango Plan Participant shall be based on his Total Benefit, and (2) a Sanford Plan Participant shall be based on his Sanford Plan Benefit, except to the extent that any portion of such Benefit is otherwise distributable pursuant to this Article, or otherwise.

(e) Notwithstanding any provision to the contrary contained herein, or in any of the Merged Plans, the Sanford Plan or the Shenango Plan, the provisions of this Amendment and Restatement of this Plan intended to conform this Plan to the requirements of (i) the Code as amended by the Tax Reform Act of 1986, the Revenue Act of 1987, the Technical and Miscellaneous Revenue Act of 1988, the Omnibus Budget Reconciliation Act of 1989, the Revenue Reconciliation Act of 1990, and the Revenue Reconciliation Act of 1993; (ii) ERISA as amended by the Retirement Equity Act of 1984; and (iii) governmental rulings and regulations applicable to this Plan as of January 1, 1994, shall apply to each of the Merged Plans, as of the effective date applicable with respect to each such Merged Plan, the Sanford Plan and the Shenango Plan, in the case of each such Act, ruling or regulation.

(f) All distribution elections made by a Merged Plan Participant, a Shenango Plan Participant, or a Sanford Plan Participant, or his Surviving Spouse or Beneficiary, if applicable, shall be made by written instrument delivered by the Merged Plan Participant, the Shenango Plan Participant, the Sanford Plan Participant or a Surviving Spouse or Beneficiary to the Pension Administrative Committee at least thirty (30) days before such election is to take effect.

(g) For purposes of the cash out provisions of Section 4.14 of this Plan, the Actuarial Equivalent of a Merged Plan Benefit, a Shenango Plan Benefit or a Sanford Plan Benefit will be based upon Section 15.01(a).

15.03 SPECIAL PROVISIONS RELATING TO THE AMEROCK PLAN.

The following shall apply with respect to Merged Plan Participants who participated in the Amerock Plan on or before the Plan Merger Date:

(a) Benefit accruals under the Amerock Plan were permanently discontinued, and all benefits accrued thereunder by Merged Plan Participants became nonforfeitable, effective as of the Benefit Accrual Date. As of the Benefit Accrual Date, Eligible Employees (as defined in the Amerock Plan for purposes of this Section 15.03) paid on a distribution or factory hourly basis became eligible to participate in this Plan in accordance with the terms of this Plan. For purposes of determining the Accrued Benefit earned from and after the Benefit Accrual Date by Merged Plan Participants (1) who are paid on a distribution or factory hourly basis, (2) who were Participants under the Amerock Plan on the Benefit Accrual Date, and (3) who thereafter are employed by an Employer, such Merged Plan Participants shall receive credit for periods of employment with all Employers from and after the Benefit Accrual Date and not for periods of employment with any Employer or any other entity, prior to the Benefit Accrual Date. For purposes of determining such Merged Plan Participants' nonforfeitable interest in their Accrued Benefits, and their eligibility to participate in this Plan, such Merged Plan Participants shall receive credit (1) for periods of employment with an Affiliated Company (as defined in Article II of this Plan) from and after the Benefit Accrual Date, and (2) for periods of employment only with Anchor Hocking Corporation and its affiliates, and not for periods of employment with any entity that was not an Affiliated Company, prior to the Benefit Accrual Date.

(b) A Merged Plan Benefit shall be payable to a Merged Plan Participant (in addition to his benefit set forth under Article IV of this Plan) at the times set forth in Article IV of this Plan. Notwithstanding the preceding sentence, if the Merged Plan Participant has satisfied all eligibility requirements contained in the Amerock Plan necessary to entitle him to receive payment of his Merged Plan Benefit commencing at a date earlier than the date applicable under the terms of this Plan, such Merged Plan Participant shall be entitled, subject to the terms and conditions applicable under the Amerock Plan, to have payment of his Merged Plan Benefit commence as follows:

(i) If a Merged Plan Participant's employment with all Employers and Affiliated Companies terminates before he attains age sixty-five (65), and if at the time of such termination he has either attained age sixty-two (62) and completed ten (10) years of Vesting Service (as defined in the Amerock Plan for purposes of this Section 15.03), or attained age sixty (60) and completed twenty (20) years of Vesting Service, such Merged Plan Participant shall be entitled to commence receipt (in accordance with the terms of this Plan) of his Merged Plan Benefit on the first day of any calendar month selected by the Merged Plan Participant on or after the later to occur of the Plan Merger Date and

the date of his termination of employment with all Employers and Affiliated Companies, but not later than his Normal Retirement Date (as defined in the Amerock Plan for purposes of this Section 15.03). The amount of his Merged Plan Benefit shall be reduced by 1/180 for each month it is paid prior to his sixty-fifth (65th) birthday.

(ii) If a Merged Plan Participant's employment with all Employers and Affiliated Companies terminates before he satisfies either of the criteria set forth in subparagraph (i) above, such Merged Plan Participant shall be entitled to commence receipt (in accordance with the terms of this Plan) of his Merged Plan Benefit on his Normal Retirement Date. If the employment of a Merged Plan Participant who does not satisfy either of the criteria in subparagraph (i) above terminates after he has completed twenty (20) years of Vesting Service (as defined in the Amerock Plan for purposes of this Section 15.03), such Merged Plan Participant shall be entitled to commence receipt (in accordance with the terms of this Plan) of his Merged Plan Benefit on the first day of any calendar month selected by the Merged Plan Participant on or after the later to occur of the Plan Merger Date and the date on which he attains age sixty (60), but not later than his Normal Retirement Date. The amount of a Merged Plan Benefit, payable pursuant to the preceding sentence, shall be reduced by 1/180 for each month it is paid prior to the Merged Plan Participant's sixty-fifth (65th) birthday.

(c) If a Merged Plan Participant dies after attaining age sixty (60), or after he has a nonforfeitable right to any portion of his Merged Plan Benefit, but before his Annuity Starting Date (as defined in the Amerock Plan for purposes of this Section 15.03), his Surviving Spouse shall be entitled to commence receipt (in accordance with the terms of this Plan) of his Merged Plan Benefit as follows:

(i) In the case of the Surviving Spouse of a Merged Plan Participant who dies while actively employed by the Employer or an Affiliated Company either after attaining age sixty (60), or after attaining age fifty (50) and completing ten (10) years of service (as defined in the Amerock Plan for purposes of this Section 15.03), the Merged Plan Benefit to which she is entitled under the Amerock Plan shall commence as of the first day of the month following the month in which the Employer receives notice of the death of the Merged Plan Participant. A Merged Plan Benefit payable to a Surviving Spouse pursuant to this subparagraph (1) shall not be reduced to reflect commencement of payment prior to a date on which the Merged Plan Participant would have attained age sixty-five (65).

(ii) In the case of a Surviving Spouse of a Merged Plan Participant not described above in clause (i), the Merged Plan Benefit to which she is entitled under the Amerock Plan

shall commence; as of the first day of the month coinciding with or next following the latest of (A) the date the Merged Plan Participant dies; (B) the earliest date the Merged Plan Participant would have been eligible to receive an early retirement benefit (within the meaning of the Amerock Plan for purposes of this Section 15.03) or deferred vested benefit (within the meaning of the Amerock Plan for purposes of this Section 15.03) if he had survived; or (C) the date the Merged Plan Participant's Surviving Spouse elects. A Merged Plan Benefit payable to a Surviving Spouse pursuant to this subparagraph (ii) shall be reduced by 1/180 for each month it is paid prior to the date the Merged Plan Participant would have attained age sixty-five (65).

The Merged Plan Benefit to which a Surviving Spouse is entitled pursuant to this subsection (c) shall be a monthly amount equal to one-half of the amount of the reduced annuity that would have been payable to the Merged Plan Participant in the form of a Qualified Joint and Survivor Annuity (as defined in the Amerock Plan for purposes of this Section 15.03) if his Annuity Starting Date were the date payment of such Merged Plan Benefit commences. Payment of a Merged Plan Benefit to a Surviving Spouse shall continue until the date of her death. The amount of the Merged Plan Benefit payable to a Surviving Spouse shall be based on the Merged Plan Participant's Merged Plan Benefit as of the date of his death or separation from service, whichever is earlier, and the right to receive the Merged Plan Benefit shall remain in effect until the earliest of (1) the date the Merged Plan Participant is divorced from his Spouse, (2) the date the Merged Plan Participant's Spouse dies, or (3) the Merged Plan Participant's Annuity Starting Date. In the event coverage terminates, such coverage shall automatically resume on the date the Merged Plan Participant has been remarried for one year, or the Merged Plan Participant's benefits are suspended by reason of reemployment, as the case may be.

This subsection (c) shall apply to each Merged Plan Participant who performs any service for an Employer or an Affiliated Company as an employee on or after August 23, 1984, or any other Merged Plan Participant who has completed at least ten (10) years of Vesting Service, has a nonforfeitable right to a portion of his Merged Plan Benefit, performed any service for an Employer or an Affiliated Company as an employee after the first day of the Plan Year beginning in 1976, was living on August 23, 1984, and whose Annuity Starting Date had not then occurred.

(d) A Merged Plan Participant may elect, pursuant to the spousal consent provisions of Section 5.01 of this Plan, any one of the optional forms of benefits specified in this paragraph, with respect to his Merged Plan Benefit. Any optional form of benefit set forth in Article V of this Plan shall apply only to the Accrued Benefit earned by the Merged Plan Participant from and after the Benefit Accrual Date. Any optional form of benefit, or a combination of optional forms of benefits, set forth in this paragraph shall be the Actuarial Equivalent of the

Merged Plan Benefit otherwise payable with respect to the Merged Plan Participant. The optional forms of benefit available pursuant to this paragraph are as follows:

(i) monthly life income, with a guaranteed period of 10 or 20 years;

(ii) a joint (Merged Plan Participant and Beneficiary) life income with the full, 1/2, or 3/4 of the joint amount continued upon the death of either the Merged Plan Participant or Beneficiary for the life of the survivor;

(iii) a joint and survivor annuity with the full, 1/2, or 3/4 of the joint amount continued for the life of the Merged Plan Participant's Beneficiary if he survives the Merged Plan Participant;

(iv) a Merged Plan Participant whose employment with the Company and all Affiliated Companies terminated prior to the Plan Merger Date is entitled to receive his Merged Plan Benefit pursuant to an optional form of benefit that was available under the Amerock Plan at the date of his termination of employment, and that was elected by the Merged Plan Participant prior to the date of his termination of employment pursuant to the terms of the Amerock Plan;

provided, however, that any method or form of distribution pursuant to this subsection (d) shall be designed to pay the Merged Plan Participant the value of his interest over a period not to exceed his life expectancy or the joint life expectancy of the Merged Plan Participant and his designated Beneficiary, and to pay to the Merged Plan Participant the greater part of the value of his interest within his life expectancy unless his designated Beneficiary is his Spouse. The life expectancy of a Merged Plan Participant and the joint life expectancy of a Merged Plan Participant and his designated Beneficiary shall be determined in accordance with applicable law and regulations; provided that the life expectancy of a Merged Plan Participant or his Spouse may from time to time be redetermined, but not more frequently than annually.

(e) The Pension Administrative Committee may, in its sole discretion, direct the distribution of an annuity contract to any Merged Plan Participant who has Retired or whose employment with all Employers and Affiliated Companies has terminated. Any annuity contract distributed as authorized by this subsection (e) shall provide for payments in an amount equal to the Merged Plan Benefit due the Merged Plan Participant, shall be subject to restrictions imposed by the Code, if applicable, and at the option of the Pension Administrative Committee such contract shall be made non-assignable or non-commutable before its delivery to such Merged Plan Participant. Such contract shall also be subject to the election, spousal consent, written explanation and Survivor Annuity (as defined in the Amerock Plan for purposes of this Section 15.03) requirements described in the

Amerock Plan, if applicable. Delivery of any such contract to a Merged Plan Participant shall be in full satisfaction of the Merged Plan Participant's rights hereunder and upon the delivery of any such contract to a Merged Plan Participant, the Merged Plan Participant and his Spouse or Beneficiary shall no longer have any interest in the Trust Fund (as defined in the Amerock Plan for purposes of this Section 15.03) but shall look solely to the insurer issuing such contract for the payment of his Merged Plan Benefit.

15.04 SPECIAL PROVISIONS RELATING TO THE ANCHOR HOCKING PLAN. The following shall apply with respect to Merged Plan Participants who participated in the Anchor Hocking Plan on or before the Plan Merger Date:

(a) Benefit accruals under the Anchor Hocking Plan were permanently discontinued, and all benefits accrued thereunder by Merged Plan Participants became nonforfeitable, effective as of the Benefit Accrual Date. As of the Benefit Accrual Date, Covered Class Employees (as defined in the Anchor Hocking Plan for purposes of this Section 15.04) who were eligible to participate in the Anchor Hocking Plan became eligible to participate in this Plan in accordance with the terms of this Plan. For purposes of determining the Accrued Benefit earned from and after the Benefit Accrual Date by Merged Plan Participants who were Participants on the Benefit Accrual Date, and who thereafter are employed by an Employer, such Merged Plan Participants shall receive credit for periods of employment with all Employers from and after the Benefit Accrual Date, and not for periods of employment with any Employer or any other entity, prior to the Benefit Accrual Date. For purposes of determining such Merged Plan Participants' nonforfeitable interest in their Accrued Benefits, and their eligibility to participate in this Plan, such Merged Plan Participants shall receive credit for (1) periods of employment with an Affiliated Company (as defined in Article II of this Plan) from and after the Benefit Accrual Date, and (2) for periods of employment only with Anchor Hocking Corporation and its affiliates, and not for periods of employment with any entity that was not an Affiliated Company prior to the Benefit Accrual Date.

(b) A Merged Plan Benefit shall be payable to a Merged Plan Participant (in addition to his benefit set forth under Article IV of this Plan) at the times set forth in Article IV of this Plan. Notwithstanding the preceding sentence, if the Merged Plan Participant has satisfied all eligibility requirements contained in the Anchor Hocking Plan necessary to entitle him to receive payment of his Merged Plan Benefit commencing at a date earlier than the date applicable under the terms of this Plan, such Merged Plan Participant shall be entitled, subject to the terms and conditions applicable under the Anchor Hocking Plan, to have payment of his Merged Plan Benefit commence as follows:

(i) If a Merged Plan Participant's employment with all Employers and Affiliated Companies terminates before he

attains age sixty-five (65), and if at the time of such termination (A) he has attained age fifty-five (55) and completed five (5) full years of Vesting Service, and (B) he is an active Member (as defined in the Anchor Hocking Plan for purposes of this Section 15.04) (except that a Gas Transport, Bremen or Weirton Employee (as defined in the Anchor Hocking Plan) who is under age sixty (60) must have at least ten (10) full years of Vesting Service (as defined in the Anchor Hocking Plan) at the time of the termination of his employment with all Employers and Affiliated Companies unless he was a Member on, and reached age fifty-five (55) before, October 1, 1977), such Merged Plan Participant shall be entitled to commence receipt (in accordance with the terms of this Plan) of his Merged Plan Benefit beginning with any month after the later to occur of the Plan Merger Date and the date of his termination of employment with all Employers and Affiliated Companies, but not later than his Normal Retirement Date (as defined in the Anchor Hocking Plan for purposes of this Section 15.04). If the Merged Plan Participant (a) attained age sixty (60) at the time of his termination of employment, or (b) attained age fifty-five (55) and completed thirty (30) full years of Vesting Service, and was at the time of his termination a Bremen, Gas Transport or Weirton Employee, the amount of his Merged Plan Benefit shall be paid without reduction because payments begin before his Normal Retirement Date. If a Merged Plan Participant had not attained age sixty (60) and had not attained age fifty-five (55) and completed thirty (30) full years of Vesting Service at the time of such termination, and was at the time of his termination a Bremen, Gas Transport or Weirton Employee, the Merged Plan Benefit shall be reduced by .5% for each full month it is paid prior to the first day of the month after his sixtieth (60th) birthday. If a Merged Plan Participant had attained age fifty-five (55) and completed five (5) full years of Vesting Service at the time of termination of employment, and was at the time of his termination an Employee of Plastics, Inc. at Coon Rapids, Minnesota, the amount of his Merged Plan Benefit shall be reduced by .6% for each full month it is paid prior to his Normal Retirement Date, but in no event shall such Merged Plan Benefit be less than the Actuarial Equivalent of the Merged Plan Benefit that would be payable at his Normal Retirement Age (as defined in the Anchor Hocking Plan for purposes of this Section 15.04). Payment of a Merged Plan Benefit to a Merged Plan Participant described in this clause (i) shall not commence before his Normal Retirement Date unless he makes a written election for an earlier commencement within the ninety (90) day period ending on the date selected for commencement.

(ii) If the employment of a Merged Plan Participant not described in subparagraph (i) with all Employers and Affiliated Companies terminates before he attains age sixty-five (65), payment of his Merged Plan Benefit shall commence on his Normal Retirement Date, unless he elects to have it

begin within the ten-year period prior to his Normal Retirement Date. If the Merged Plan Participant elects to have such benefit begin earlier than his Normal Retirement Date, his Merged Plan Benefit shall be a reduced benefit (in a level amount) beginning on the date he selects, in an amount equal to the Actuarial Equivalent of the Merged Plan Benefit that would have been payable on the Merged Plan Participant's Normal Retirement Date.

(c) If a Merged Plan Participant's employment with all Employers and Affiliated Companies terminates (A) due to a Merged Plan Participant becoming Permanently and Totally Disabled under the terms and conditions of, and as defined under, the Anchor Hocking Plan, (B) while he is an active Member (as defined in the Anchor Hocking Plan for purposes of this Section 15.04), (C) before he attains age sixty-five (65), (D) after completing at least ten (10) full years of Vesting Service if he was a Bremen, Gas Transport or Weirton Employee, or (E) after completing at least fifteen (15) full years of Vesting Service if he was an Employee of Plastics, Inc. at Coon Rapids, Minnesota, such Merged Plan Participant shall be entitled to commence receipt (in accordance with the terms of this Plan) of his Merged Plan Benefit on or after the latest to occur of (1) the Plan Merger Date, (2) the date of his termination of employment due to his Permanent and Total Disability, and (3) the first day of the month after at least six (6) consecutive months have elapsed since the date on which his Permanent and Total Disability begins. If the Merged Plan Participant satisfies the criteria in (A) through (C) above, and in either (D) or (E) above as appropriate, the amount of such Merged Plan Benefit shall be paid without reduction to reflect payment before his Normal Retirement Date. Such Merged Plan Benefit shall continue until the Merged Plan Participant's death, but it shall stop if the Merged Plan Participant ceases to be Permanently and Totally Disabled.

(d) If a Merged Plan Participant dies before payment of his Merged Plan Benefit commences, his Surviving Spouse shall be entitled to commence receipt (in accordance with the terms of this Plan) of his Merged Plan Benefit as follows:

(i) In the case of a Surviving Spouse of a Merged Plan Participant who dies while an active Participant and who had attained age fifty (50) (age fifty-five (55) in the case of a Merged Plan Participant who, on his QTAM (as defined in the Anchor Hocking Plan, for purposes of this Section 15.04), is an Employee of Plastics, Inc. at Coon Rapids, Minnesota), but not age sixty-five (65), and had completed ten (10) years of Vesting Service, the Merged Plan Benefit to which she is entitled (a) shall be a monthly pension payable for her remaining lifetime in the amount specified in subsequent sentences of this paragraph, (b) shall begin on the first day of the month after such Merged Plan Participant would have attained age sixty-five (65) had he not died or, if the Surviving Spouse requests earlier commencement thereof, on the first day of any earlier month

after the Merged Plan Participant's death, but in any case only if the Surviving Spouse is living on such date and otherwise eligible to receive such Merged Plan Benefit and (c) shall cease with the payment for the month in which she dies. If such Merged Plan Participant dies at or after age fifty-five (55), the monthly amount of such Merged Plan Benefit shall be equal to 50% of what would have been the monthly amount of such Merged Plan Participant's Merged Plan Benefit payable as an Early Retirement Pension (as defined in the Anchor Hocking Plan, for purposes of this Section 15.04) if (A) he had survived to and Retired at the end of the month in which he died, and (B) his Early Retirement Pension had begun in the month after the month in which he in fact died. If such Merged Plan Participant dies on or after age fifty (50) and before age fifty-five (55), the monthly amount of such Merged Plan Benefit payable to his Surviving Spouse shall be equal to 50% of the monthly amount of the Merged Plan Benefit payable as a Deferred Vested Pension (as defined in the Anchor Hocking Plan for purposes of this Section 15.04) beginning on the Merged Plan Participant's Normal Retirement Date, to which he would have been entitled if (A) he had resigned from employment with all Employers and Affiliated Companies at the end of the month in which he in fact died, and (B) he had continued to live until his Normal Retirement Date . However, in computing the amount of the Merged Plan Benefit payable to a Surviving Spouse pursuant to this subparagraph (i), the Cap (as defined in the Anchor Hocking Plan for purposes of this Section 15.04), any early retirement reductions described in subsection 15.04(b) and any joint and survivor annuity adjustments shall be ignored.

(ii) In the case of a Surviving Spouse of a Merged Plan Participant who dies while an active Participant and (A) after attaining age sixty (60) (age fifty-five (55) in the case of a Merged Plan Participant who, on his QTAM, is an Employee of Plastics, Inc. in Coon Rapids, Minnesota), but not age sixty-five (65), and before completing at least ten (10) years of Vesting Service, or (B) after attaining age sixty-five (65), the Merged Plan Benefit to which she is entitled shall be such Merged Plan Benefit for the rest of her lifetime as she would have been entitled to receive if (a) such Merged Plan Participant had Retired in the month preceding his death and under circumstances which would have allowed the Merged Plan Participant to receive his Merged Plan Benefit payable as an Early Retirement Pension under the Anchor Hocking Plan, (b) his Early Retirement Pension had begun the month in which he in fact died and (c) his Early Retirement Pension was payable under the Semi-Automatic 50% J&S Option (as defined in the Anchor Hocking Plan for purposes of this Section 15.04). In computing the amount of such Merged Plan Benefit, pursuant to this subparagraph (ii), any reductions for early retirement described in subsection 15.04(b) shall be taken into account, but the Cap shall be ignored. Such Merged Plan

benefit (1) shall begin as provided in clause (b) of paragraph (i) of this subsection (d), (2) shall, except as otherwise provided herein, be payable monthly thereafter (on the first of each month) during her remaining lifetime and (3) shall cease with the payment for the month in which she dies.

(iii) (A) In the case of a Surviving Spouse of a Merged Plan Participant, not described in paragraph (i) or (ii) above, who died (1) while an active Participant in this Plan, or (2) after having terminated employment with all Employers and Affiliated Companies, having at least one Hour of Service (as defined in the Anchor Hocking Plan for purposes of this Section 15.04) on or after August 23, 1984, and having a vested benefit under the Anchor Hocking Plan or (3) after August 23, 1984, having terminated employment with all Employers and Affiliated Companies before August 23, 1984 with ten (10) or more years of Vesting Service, and having at least one Hour of Service under the Anchor Hocking Plan on or after January 1, 1976, the Merged Plan Benefit to which she is entitled shall be a monthly benefit for the life of the Surviving Spouse with payments equal to the payment that would have been payable to such Surviving Spouse under the Semi-Automatic 50% J & S Option (based on the Merged Plan Participant's actual Benefit Service (as defined in the Anchor Hocking Plan for purposes of this Section 15.04)) if --

(1) in the case of a Merged Plan Participant who dies after his attainment of the age and Vesting Service requirements of paragraph (i) of subsection 15.04(b) applicable to him (the "Qualified Earliest Retirement Age"), such Merged Plan Participant had retired on the day before his death with an immediate Semi-Automatic 50% J & S Option in effect, or

(2) in the case of a Merged Plan Participant who dies on or before the date on which he would have obtained his Qualified Earliest Retirement Age, such Merged Plan Participant had:

(a) terminated his employment with all Employers and Affiliated Companies on the date of his death;

(b) survived to his Qualified Earliest Retirement Age,

(c) retired at his Qualified Earliest Retirement Age with
an immediate Semi-Automatic 50% J & S Option in effect, and

(d) died on the day after the day on which he would have attained his Qualified Earliest Retirement Age.

provided, in computing the amount of such Merged Plan Benefit, any reductions for early retirement described in subsection (b) and the Cap shall be taken into account.

(B) The Merged Plan Benefit provided for in subparagraph (A) of this paragraph shall commence to be paid to the Surviving Spouse on the first day of the month after the Merged Plan Participant would have attained age sixty-five (65) had he not died, or if the Surviving Spouse requests earlier commencement thereof, on the first day of any earlier month after the later of (a) the first day of the month after the Merged Plan Participant's death or (b) the first day of the month in which the Merged Plan Participant would have attained his Qualified Earliest Retirement Age, but in any case only if the Surviving Spouse is living on such date and is otherwise eligible to receive such Merged Plan Benefit. Payment shall continue during the Surviving Spouse's remaining lifetime, the last monthly payment of such benefit being payable on the first day of the month in which the Surviving Spouse dies.

(e) (1) A Merged Plan Participant may elect, pursuant to the spousal consent provisions of Section 5.01 of this Plan, any one of the optional forms of benefits specified in this subsection (e) with respect to his Merged Plan Benefit. Any optional form of benefit set forth in Article V of this Plan shall apply only to the Accrued Benefit earned by the Merged Plan Participant from and after the Benefit Accrual Date. Any optional form of benefit, or a combination of optional forms of benefits, set forth in this subsection shall be the Actuarial Equivalent of the Merged Plan Benefit otherwise payable with respect to the Merged Plan Participant. The optional forms of benefit available pursuant to this subsection are as follows:

(i) REGULAR J & S OPTION: This paragraph (i) of this subsection (e) shall not apply to a Merged Plan Benefit that begins more than ten (10) years before the Merged Plan Participant's Normal Retirement Date. A Merged Plan Participant may elect to receive his Merged Plan Benefit as a reduced benefit payable to him during his lifetime, and after his death to have a benefit payable during the surviving lifetime of and for a natural person (herein called "Joint Pensioner") designated by the Merged Plan Participant for such purpose at the rate of 50% of the reduced benefit payable to the Merged Plan Participant or (if elected by the Merged Plan Participant and if he is or becomes entitled to a Normal or Early Retirement Benefit) at the rate of 100% of the reduced benefit payable to the Merged Plan Participant. Evidence satisfactory to the Pension Administrative Committee of the date of birth of the Merged Plan Participant and of his Joint Pensioner must be furnished within ninety (90) days of the filing of such election with the Pension Administrative Committee. The amount of the reduced pension payable under such an option depends in part on (A) the age of the Merged Plan

Participant and his Joint Pensioner and (B) the percentage of his reduced benefit to be paid after his death to his Joint Pensioner. Payments for the Joint Pensioner shall begin with the first day of the month after the month in which the Merged Plan Participant dies, provided his death does not void the election of this option, and provided his Joint Pensioner is living on such day, and the last monthly payment for her shall be payable on the first day of the last month in which she is living. If a Merged Plan Participant's Joint Pensioner dies before the Merged Plan Participant's benefit commences, the election shall be of no effect and the Merged Plan Participant shall be treated the same as though he had not elected an option pursuant to this paragraph. If a Merged Plan Participant's Joint Pensioner dies on or after the date the Merged Plan Participant's benefit commences and while the Merged Plan Participant is living, the option elected shall continue in force and the Merged Plan Participant's reduced pension shall not be increased thereby.

(ii) LEVEL INCOME OPTION: A Merged Participant who Retires before reaching the earliest age at which a retired worker may elect to have his old age benefits under the Social Security Act begin, and who is not eligible for a Social Security disability benefit, may elect (in accordance with procedures established by the Pension Administrative Committee) to have the amount of his Merged Plan Benefit otherwise payable increased before such earliest age and decreased thereafter, to the end that his Merged Plan Benefit, when combined with his old age benefits under the Social Security Act (as in effect at his Retirement) in the amount estimated to be payable beginning at such earliest age, will provide a level amount of retirement income insofar as practicable. A Merged Plan Participant's election of this Level Income Option shall become void if (A) he does not become entitled to a benefit under paragraph (i) of subsection (b) of this Section, (B) his benefit is payable under a J & S Option under subsection (e)(i) of this Section, or (C) he is an Employee of Plastics, Inc. at Coon Rapids, Minnesota immediately before his Qualifying Termination of Active Membership (as defined in the Anchor Hocking Plan for purposes of this Section 15.04).

(iii) A Merged Plan Participant whose employment with the Company and all Affiliated Companies terminated prior to the Plan Merger Date is entitled to receive his Merged Plan Benefit pursuant to an optional form of benefit that was available under the Anchor Hocking Plan at the date of his termination of employment, and that was elected by the Merged Plan Participant prior to the date of his termination of employment pursuant to the terms of the Anchor Hocking Plan.

(2) In the case of a Merged Plan Participant who is an Employee of Plastics, Inc. at Coon Rapids, Minnesota

immediately before his Qualifying Termination of Active Membership, the figure "60" shall be substituted for the figure "72" wherever the figure "72" appears in the balance of this paragraph (2). Notwithstanding the preceding provisions of this Section 15.04:

(i) In the case of a Merged Plan Participant whose Qualifying Termination of Active Membership occurs on or after EDR-80 (as defined in the Anchor Hocking Plan for purposes of this Section 15.04) and who dies on or after the date payment of his Merged Plan Benefit commences, (A) if such death occurs before he has become entitled to receive 72 monthly payments of such Merged Plan Benefit, and if a J & S Option under paragraph (i) of subsection (e) of this Section 15.04 is not applicable to him, his Death Beneficiary (as defined in the Anchor Hocking Plan, for purposes of this Section 15.04) shall be paid the same monthly Merged Plan Benefit as would have been payable to such Merged Plan Participant if he had continued to live until the equivalent of 72 monthly payments have been made to him and/or his Death Beneficiary, or (B) if a J & S Option is applicable to such Merged Plan Participant, and if he and his Joint Pensioner die before one or more of them have become entitled to receive 72 monthly payments with respect to his Merged Plan Benefit, such Merged Plan Participant's Death Beneficiary shall be paid the same monthly Merged Plan Benefit as would have been payable to the survivor of such Merged Plan Participant and his Joint Pensioner if such survivor had continued to live until the equivalent of 72 monthly payments had been paid to such Merged Plan Participant, his Joint Pensioner and/or his Death Beneficiary, except that, for this purpose, a Merged Plan Participant's Joint Pensioner shall not be considered to survive such Merged Plan Participant if she dies before a payment becomes payable to her under such Merged Plan Participant's J & S Option.

(ii) In the case of a Merged Plan Participant whose Merged Plan Benefit is payable under the Level Income Option specified in paragraph (ii) of subsection (e) of this Section, if he dies during the 72-month period certain specified herein, the same monthly payments shall be made to his Death Beneficiary for the balance of such period certain as would have been payable to the Merged Plan Participant if he had continued to live.

(iii) In determining (for the purposes of Section 15.04) the Actuarial Equivalent of a Merged Plan Benefit, the period certain death benefit provided for in this paragraph (2) shall be taken into account.

15.05 SPECIAL PROVISIONS RELATING TO PHOENIX PLAN. The following shall apply with respect to Merged Plan Participants who participated in the Phoenix Plan on or before the Plan Merger Date:

(a) Benefit accruals under the Phoenix Plan were permanently discontinued, and all benefits accrued thereunder by Merged Plan Participants became nonforfeitable, effective as of the Benefit Accrual Date. As of the Benefit Accrual Date, Participants (as defined in the Phoenix Plan, for purposes of this Section 15.05) became eligible to participate in this Plan in accordance with the terms of this Plan. For purposes of determining the Accrued Benefit earned from and after the Benefit Accrual Date by Merged Plan Participants who were Participants under the Phoenix Plan on the Benefit Accrual Date, and who thereafter are employed by an Employer, such Merged Plan Participants shall receive credit for periods of employment with all Employers from and after the Benefit Accrual Date, and not for periods of employment with any Employer or any other entity prior to the Benefit Accrual Date. For purposes of determining such Merged Plan Participants' nonforfeitable interest in their Accrued Benefits, and their eligibility to participate in this Plan, such Merged Plan Participants shall receive credit (1) for periods of employment with an Affiliated Company (as defined in Article II of this Plan) from and after the Benefit Accrual Date, and (2) for periods of employment only with Anchor Hocking Corporation and its affiliates, and not for periods of employment with any entity that was not an Affiliated Company, prior to the Benefit Accrual Date.

(b) A Merged Plan Benefit shall be payable to a Merged Plan Participant (in addition to his benefit set forth in Article IV of this Plan) at the times set forth in Article IV of this Plan. Notwithstanding the preceding sentence, if the Merged Plan Participant has satisfied all eligibility requirements contained in the Phoenix Plan necessary to entitle him to receive payment of his Merged Plan Benefit commencing at a date earlier than the date applicable under the terms of this Plan, such Participant shall be entitled, subject to the terms and conditions applicable under the Phoenix Plan, to have payment of his Merged Plan Benefit commence as follows:

(i) If a Merged Plan Participant's employment with all Employers and Affiliated Companies terminates before he attains age sixty-five (65), and if at the time of such termination (A) he has attained age sixty-two (62) and has completed at least thirty (30) years of Vesting Service (as defined in the Phoenix Plan for purposes of this Section 15.05), or (B) he has attained age sixty (60) and has completed at least ten (10) years of Vesting Service, such Merged Plan Participant shall be entitled to commence receipt (in accordance with the terms of this Plan) of his Merged Plan Benefit on the later to occur of the Plan Merger Date and the Merged Plan Participant's Normal Retirement Date (as defined in the Phoenix Plan for purposes of this Section 15.05). However, a Merged Plan Participant may

elect an earlier commencement of his Merged Plan Benefit beginning on the first day of any month designated by him which day is within the five-year period prior to his Normal Retirement Date and subsequent to both his termination of employment and the filing with Pension Administrative Committee of the proper election forms. If the Merged Plan Participant is eligible for a Merged Plan Benefit and meets the criteria described in clause (A) above, the amount of his Merged Plan Benefit shall not be reduced for benefits commencing prior to age sixty-five (65). If a Merged Plan Participant is eligible for a Merged Plan Benefit and meets the criteria described in clause (B) above, but not the criteria described in clause (A), the amount of his Merged Plan Benefit shall be reduced by .6% for each month it is paid prior to age sixty-five (65).

(ii) If a Merged Plan Participant's employment with all Employers and Affiliated Companies terminates before he has attained age sixty-five (65) and before he has met the criteria described in paragraph (i) above, such Merged Plan Participant shall be entitled to commence receipt (in accordance with the terms of this Plan) of his Merged Plan Benefit on the Merged Plan Participant's Normal Retirement Date, unless a Merged Plan Participant who has completed at least ten (10) years of Vesting Service requests to have it begin on or after age sixty (60). If the Merged Plan Participant elects to have such benefit begin earlier than his Normal Retirement Date, his Merged Plan Benefit shall be reduced by .6% for each calendar month it is paid prior to age sixty-five (65).

(c) If a Merged Plan Participant's employment with all Employers and Affiliated Companies terminates (A) due to a Merged Plan Participant becoming Totally and Permanently Disabled under the terms and conditions, and as defined, in the Phoenix Plan (for purposes of this Section 15.05), (B) whose Total and Permanent Disability has persisted at least six (6) consecutive months since the date on which it commenced, (C) before he attains age sixty-five (65), and (D) after completing at least ten (10) years of Vesting Service, such Merged Plan Participant shall be entitled to commence receipt (in accordance with the terms of this Plan) of his Merged Plan Benefit on his Normal Retirement Date unless such Merged Plan Participant elects to have it begin on the first day of the later of the month in which he becomes eligible for such benefit or the month following the month satisfactory proof of a Total and Permanent Disability is received by the Pension Administrative Committee. Such Merged Plan Benefit shall not be reduced for payments commencing prior to age sixty-five (65), shall be payable monthly thereafter to the Merged Plan Participant until he attains age sixty-five (65) or dies, whichever occurs first, and thereafter shall continue unchanged without respect to the continuance of Total and Permanent Disability.

(d) If a Merged Plan Participant dies before his Merged Plan Benefit commences, his Surviving Spouse shall be entitled to commence receipt (in accordance with the terms of this Plan) of his Merged Plan Benefit as follows:

(i) In the case of the Surviving Spouse of a Merged Plan Participant who dies prior to the date his Merged Plan Benefit is to commence, the Merged Plan Benefit to which she is entitled under the Phoenix Plan (1) shall be a monthly pension payable for her remaining lifetime in the amount specified in the subsequent sentences of this paragraph, (2) shall begin on the first day of the month following the month in which the Merged Plan Participant would have attained age sixty-five (65), or, if the Surviving Spouse requests earlier commencement thereof, on the later of the first day of the month following the month in which the Merged Plan Participant would have attained his Early Retirement Age (as defined in the Phoenix Plan for purposes of this Section 15.05), or the first day of the month following the Merged Plan Participant's death, (3) shall be payable monthly thereafter during her remaining lifetime, and (4) shall cease with the payment that is made on the first day of the month in which the Surviving Spouse dies. If such Merged Plan Participant dies on or after age sixty (60) with at least ten (10) years of Vesting Service, the monthly amount of such Merged Plan Benefit shall be equal to 50% of the reduced monthly amount that would have been payable to the Merged Plan Participant had he retired on the day before his death and elected a 50% Joint and Survivor Annuity (as defined under the Phoenix Plan for purposes of this Section 15.05). If such Merged Plan Participant dies before both attaining age sixty (60) and completing at least ten (10) years of Vesting Service, the monthly amount of such Merged Plan Benefit shall be equal to 50% of the reduced monthly amount that would have been payable to the Merged Plan Participant had he separated from service on the date of his death and survived to the earliest possible date at which benefits could become payable to him and retired with a 50% Joint and Survivor Annuity at such date, dying the day thereafter.

(ii) If the Merged Plan Participant met the criteria described in clause (A) of subparagraph 15.05(b)(i) above at the date of his death, the Merged Plan Benefit to which his Surviving Spouse is entitled shall not be reduced for benefits commencing prior to the date the Merged Plan Participant would have attained age sixty-five (65). If the Merged Plan Participant met the criteria described in clause (B) of subparagraph 15.05(b)(i) above, but not the criteria described in clause (A) of that subparagraph, the amount of the Merged Plan Benefit to which his Surviving Spouse is entitled shall be reduced by .6% for each month it is paid prior to the date the Merged Plan Participant would have attained age sixty-five (65).

(e) A Merged Plan Participant may elect, pursuant to the spousal consent provisions of Section 5.01 of this Plan, the optional form of benefit hereinafter specified in this subsection with respect to his Merged Plan Benefit. Any optional form of benefit set forth in Article V of this Plan shall apply only to the Accrued Benefit earned by the Merged Plan Participant from and after the Benefit Accrual Date. The optional form of benefit set forth in this subsection shall be the Actuarial Equivalent of the Merged Plan Benefit otherwise payable with respect to the Merged Plan Participant. A Participant who has a Spouse may elect to receive his Merged Plan Benefit as a reduced benefit payable to him during his lifetime only, on and after the date on which his Merged Plan Benefit is to commence, and after his death to have a benefit payable to his Surviving Spouse at the same reduced rate as was payable to the Merged Plan Participant during his lifetime.

(f) A Merged Plan Participant whose employment with the Company and all Affiliated Companies terminated prior to the Plan Merger Date is entitled to receive his Merged Plan Benefit pursuant to an optional form of benefit that was available under the Phoenix Plan at the date of his termination of employment, and that was elected by the Merged Plan Participant prior to the date of his termination of employment pursuant to the terms of the Phoenix Plan.

(g) If the death of a Retired or terminated Merged Plan Participant occurs prior to his receipt of sixty (60) monthly payments if he Retired or terminated employment prior to the first Monday of September, 1984, or seventy-two (72) monthly payments if he Retired or terminated employment on or after the first Monday of September, 1984, such monthly payments shall be continued to his Spouse or Beneficiary until an aggregate of sixty (60) or seventy-two (72) such monthly payments, depending upon which is applicable, have been made. Merged Plan Participants who are eligible for a Merged Plan Benefit pursuant to paragraph (ii) of subsection (b) of this Section 15.05 above, but who die prior to the commencement of such Merged Plan Benefit, shall have no guaranteed number of monthly payments under this subsection (f). If the Merged Plan Participant or his Surviving Spouse is receiving a Merged Plan Benefit under the provisions of the 50% or 100% Joint and Survivor Annuity (as defined in the Phoenix Plan for purposes of this Section 15.05) and if the deaths of both the Merged Plan Participant and his Surviving Spouse occur prior to the receipt of sixty (60) or seventy-two (72) monthly payments, depending upon which is applicable, the amount of the last monthly payment made to either the Merged Plan Participant or his Surviving Spouse, whichever one was the last to receive a payment, shall be the amount that shall continue to be paid to the Merged Plan Participant's Beneficiary until an aggregate of sixty (60) or seventy-two (72) monthly payments, depending upon which is applicable, have been made to the Merged Plan Participant, his Surviving Spouse and his Beneficiary. In the event the Beneficiary designated by the Merged Plan Participant dies prior to receiving the remainder of

the sixty (60) or seventy-two (72) monthly payments, depending upon which is applicable, the present value of such remaining payments (as determined by the Actuary using assumptions as are in effect for an 'Actuarial Equivalent Benefit') (as defined in the Phoenix Plan for purposes of this Section 15.05) shall be paid to such Beneficiary's estate and shall represent the total obligation of payment of the Merged Plan Benefit.

15.06 SPECIAL PROVISIONS RELATING TO THE NEWELL PLAN. The following shall apply with respect to Merged Plan Participants who participated in the Newell Plan on or before the Plan Merger Date:

(a) As of the Benefit Accrual Date, Employees (as defined in the Newell Plan for purposes of this Section 15.06) who were eligible to participate in the Newell Plan continued to participate in this Plan in accordance with the terms of this Plan. For purposes of determining the Accrued Benefit of Merged Plan Participants who were Participants (as defined in the Newell Plan for purposes of this Section 15.06) under the Newell Plan on the Benefit Accrual Date, and who thereafter are employed by an Employer, such Merged Plan Participants shall receive credit for periods of employment with all Employers before and after the Benefit Accrual Date. For purposes of determining such Merged Plan Participants' nonforfeitable interest in their Accrued Benefits, and their eligibility to participate in this Plan, such Merged Plan Participants shall receive credit for periods of employment with all Employers and Affiliated Companies (as defined in Article II of this Plan) before and after the Benefit Accrual Date.

(b) A Merged Plan Benefit shall be payable to a Merged Plan Participant (as part of his benefit set forth under Article IV of this Plan) at the times and in the manner set forth in Articles IV and V of this Plan.

15.07 SPECIAL PROVISIONS RELATING TO SHENANGO PLAN. The following shall apply with respect to Shenango Plan Participants who participated in the Shenango Plan on or before the Plan Merger Date.

(a) Benefit accruals under the Shenango Plan were permanently discontinued, and all benefits accrued thereunder by Shenango Plan Participants became nonforfeitable, effective as of January 31, 1988. No Shenango Plan Participant participated in this Plan or earned an Accrued Benefit hereunder from and after January 31, 1988.

(b) A Shenango Plan Benefit shall be payable to a Shenango Plan Participant at the times set forth in Article IV of this Plan. Notwithstanding the preceding sentence, if the Shenango Plan Participant has satisfied all eligibility requirements contained in the Shenango Plan prior to the Benefit Accrual Date necessary to entitle him to receive payment of his Shenango Plan Benefit commencing at a date earlier than the date applicable under the terms of this Plan, such Participant shall be entitled, subject to the terms and conditions applicable under the Shenango

Plan in existence prior to the Benefit Accrual Date, to have payment of his Shenango Plan Benefit commence as follows:

(i) If a Shenango Plan Participant's employment with all Employers and Affiliated Companies terminates before he attains age sixty-five (65), and if at the time of such termination he has attained age sixty (60) and completed fifteen (15) years of Vesting Service (as defined in the Shenango Plan for purposes of this Section 15.07), such Shenango Plan Participant shall be entitled to commence receipt (in accordance with the terms of this Plan) of his Shenango Plan Benefit on the first day of any calendar month selected by the Shenango Plan Participant on or after the later to occur of the Plan Merger Date and the date of termination of employment with all Employers and Affiliated Companies. The amount of a Shenango Plan Benefit payable pursuant to this paragraph (i), commencing on the first day of any month coincident with or following the date the Shenango Plan Participant attains age sixty (60) and completes at least fifteen (15) years of Vesting Service, shall equal the product of his Shenango Plan Benefit times the applicable percentage according to his age at the time his Shenango Plan Benefit is to commence determined from the following table:

Age When Shenango Plan Benefit Commences	Percentage
60	67.18%
61	72.36%
62	78.14%
63	84.60%
64	91.84%
65	100.00%

(ii) If the employment of a Shenango Plan Participant not described in paragraph (i) above with all Employers and Affiliated Companies terminates before he attains age sixty-five (65), and if as of the date of his termination of employment he has completed at least fifteen (15) years of Vesting Service (as defined in the Shenango Plan for purposes of this Section 15.07), such Shenango Plan Participant shall be entitled to commence receipt (in accordance with the terms of this Plan) of his Shenango Plan Benefit on the first day of any calendar month selected by the Shenango Plan Participant on or after the later to occur of the Plan Merger Date and the date on which he attains age sixty (60). The amount of a Shenango Plan Benefit payable pursuant to this paragraph (ii) shall equal the product of the Shenango Plan Benefit times the applicable percentage according to the age of the Shenango Plan Participant at the

time his Shenango Plan Benefit is to commence, determined from the table set forth in paragraph (i) above.

(c) If a Shenango Plan Participant's employment with all Employers and Affiliated Companies terminates (A) due to the Shenango Plan Participant becoming Totally and Permanently Disabled (as defined in the Shenango Plan for purposes of this Section 15.07) and (B) after completing fifteen (15) or more years of Vesting Service, such Shenango Plan Participant shall be entitled to commence receipt (in accordance with the terms of this Plan) of his Shenango Plan Benefit on the first day of the month following the later of (1) the date the Shenango Plan Participant files an application for a Shenango Plan Benefit pursuant to this subsection (c), or (2) the date when six (6) months have elapsed since the commencement of his Total and Permanent Disability.

(d) If a Shenango Plan Participant has at least one Hour of Service (as defined in the Shenango Plan for purposes of this Section 15.07) on or after August 23, 1984, and dies before payment of his Shenango Plan Benefit commences, his Surviving Spouse shall be entitled to commence receipt (in accordance with the terms of this Plan) of his Shenango Plan Benefit in an amount equal to the payments that would have been payable to such Surviving Spouse under the Qualified Joint and Survivor Annuity (as defined in the Shenango Plan for purposes of this Section 15.07) (based on the Shenango Plan Participant's actual Benefit Service (as defined in the Shenango Plan for purposes of this Section 15.07) to a maximum of thirty-five (35) years) if --

(i) In the case of the Surviving Spouse of a Shenango Plan Participant who dies after attaining age sixty (60) and completing at least fifteen (15) years of Vesting Service (the "Qualified Earliest Retirement Age"), such Shenango Plan Participant had Retired with an immediate Qualified Joint and Survivor Annuity on the day before his death, or

(ii) In the case of a Shenango Plan Participant who dies on or before the date on which he would have attained his Qualified Earliest Retirement Age, such Shenango Plan Participant had (A) terminated his employment with all Employers and Affiliated Companies on the date of his death, (B) survived to his Qualified Earliest Retirement Age, (C) retired with an immediate Qualified Joint and Survivor Annuity at his Qualified Earliest Retirement Age, and (D) died on the day after the day on which he would have attained his Qualified Earliest Retirement Age.

The Shenango Plan Benefit to which the Surviving Spouse of a Shenango Plan Participant is entitled pursuant to this subsection (d) shall commence to be paid to such Surviving Spouse as of the first day of the month after the Shenango Plan Participant would have attained age sixty-five (65) had he not died, or if the Surviving Spouse requests earlier commencement thereof, as of the first day of any month after the later of the Shenango Plan

Participant's death or the date on which the Shenango Plan Participant would have attained his Qualified Earliest Retirement Age, but in any case only if the Surviving Spouse is living on such day and is otherwise eligible to receive such payments under this subsection (d). Payments shall continue during the Surviving Spouse's remaining lifetime, with the last monthly payment being payable on the first day of the month in which the Surviving Spouse dies. If a Shenango Plan Participant had completed fifteen (15) years of Vesting Service (as defined in the Shenango Plan for purposes of this Section 15.07) at the date of his death, the amount of the Shenango Plan Benefit payable to his Surviving Spouse shall equal the product of the Shenango Plan Benefit times the applicable percentage according to the age the Shenango Plan Participant would have attained at the time his Shenango Plan Benefit is to commence, determined from the table set forth in subparagraph (i) of paragraph (b) of this Section 15.07.

(e) A Shenango Plan Participant who has a Spouse on the date payment of his Shenango Plan Benefit is to commence, and who does not elect the optional form described in subsection (f) below, shall receive his Shenango Plan Benefit in equal monthly installments for his life with a survivor annuity (commencing on the first day of the month following his death) for the life of his Surviving Spouse in equal monthly installments of the same amount.

(f) A Shenango Plan Participant may elect, pursuant to the spousal consent provisions of Section 5.01 of this Plan, the optional form of benefit hereinafter specified in this subsection with respect to his Shenango Plan Benefit. The optional form of benefit set forth in this subsection shall be the Actuarial Equivalent of the Shenango Plan Benefit otherwise payable with respect to the Shenango Plan Participant. A Shenango Plan Participant may elect to receive his Shenango Plan Benefit in equal monthly installments for his life, with a survivor annuity (commencing on the first day of the month following his death) for the life of a Beneficiary designated by the Shenango Plan Participant in equal monthly installments of the same amount. A Shenango Plan Participant's election of payment pursuant to this subsection shall be deemed void if (i) the present value of the payments expected to be made to him hereunder is not more than 50% of the present value of the total of the payments expected to be made hereunder to him and his Beneficiary (unless his Beneficiary is his Spouse), or (ii) his Beneficiary dies before payment of his Shenango Plan Benefit commences.

(g) A Merged Plan Participant whose employment with the Company and all Affiliated Companies terminated prior to the Plan Merger Date is entitled to receive his Merged Plan Benefit pursuant to an optional form of benefit that was available under the Shenango Plan at the date of his termination of employment, and that was elected by the Merged Plan Participant prior to the date of his termination of employment pursuant to the terms of the Shenango Plan.

(h) Each Shenango Plan Participant employed by an Employer on January 21, 1988, shall be entitled to postpone the date for commencement of payment of his Shenango Plan Benefit to a date following his date of termination of employment with all Employers and Affiliated Companies, as designated by the Shenango Plan Participant, provided that the date designated for commencement shall not be later than the date required for a distribution pursuant to subsection 4.05(c) of this Plan and Section 401(a)(9) of the Code and regulations issued thereunder. Any such election to postpone commencement of a Shenango Plan Benefit shall be revocable and may be modified by the applicable Shenango Plan Participant. An election to postpone, or an election to modify or revoke an election, pursuant to this subsection, shall be effective on the first day of the month that is at least thirty (30) days following the date such written instrument is delivered by the Shenango Plan Participant to the Pension Administrative Committee.

15.08 SPECIAL PROVISIONS RELATING TO THE STERLING PLAN. The following shall apply, with respect to Merged Plan Participants who participated in the Sterling Plan on or before the Plan Merger Date.

(a) Benefit accruals under the Sterling Plan were permanently discontinued, and all benefits accrued thereunder became nonforfeitable, effective as of the Plan Merger Date. No Merged Plan Participant participated in this Plan or earned an Accrued Benefit hereunder from and after the Plan Merger Date.

(b) Each Merged Plan Participant, with spousal consent given pursuant to the provisions of Section 5.01 if applicable, waived payment of his Merged Plan Benefit in the form of an annuity, and received a lump sum distribution equal to the Actuarial Equivalent of his Merged Plan Benefit during the month of December, 1993.

15.09 SPECIAL PROVISIONS RELATING TO THE SANFORD PLAN. The following provisions shall apply with respect to each Participant who is employed by Sanford Corporation in Bellwood, Illinois, and who is a member of Warehouse Mail Order Office, Technical and Professional Employees Union, Local 743, affiliated with the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America ("Sanford Plan Participant") notwithstanding any provision of the Plan to the contrary:

A. The following shall apply with respect to Sanford Plan Participants who were Participants in the Sanford Plan on the Plan Merger Date:

Benefit accruals under the Sanford Plan were permanently discontinued, effective as of the Benefit Accrual Date. As of the Plan Merger Date, Members (as defined in the Sanford Plan for purposes of this Section 15.09), became eligible to participate in this Plan in accordance with the terms of this Plan and paragraph (B)

below. For purposes of determining the Accrued Benefit earned from and after the Plan Merger Date by Sanford Plan Participants who were Members in the Sanford Plan on the Plan Merger Date, and who are thereafter employed by an Employer, such Sanford Plan Participants shall receive credit for periods of employment with all Employers from and after the Plan Merger Date and for periods of participation in the Sanford Plan prior to the Plan Merger Date, and not for any other periods of employment with any Employer or any other entity prior to the Plan Merger Date. For purposes of determining such Sanford Plan Participants' nonforfeitable interest in their Accrued Benefits, and their eligibility to participate in this Plan, such Sanford Plan Participants shall receive credit (1) for periods of employment with any Employer or any other Affiliated Company (as defined in Article II of this Plan) from and after the Plan Merger Date, and (2) for periods of employment with Sanford Corporation and all Employers and Affiliated Companies, and not for periods of employment with any other entity that was not an Affiliated Company, prior to the Plan Merger Date.

B. The following shall apply to a Sanford Plan Participant notwithstanding any provisions of the Plan to the contrary:

(1) Notwithstanding the definition of "Accrued Benefit" contained in Article II, and the special provisions of Section 4.01 of this Plan, the Sanford Plan Benefit payable with respect to a Sanford Plan Participant shall be computed on the basis of a Normal Retirement Benefit under which a Sanford Plan Participant who Retires on his Normal Retirement Date shall be entitled to receive a monthly pension for the remainder of his life equal to the following:

a) if the termination of employment of the Sanford Plan Participant with all Employers occurred on or after June 14, 1992 and prior to June 14, 1993, $15.00 multiplied by the Sanford Plan Participant's years of Credited Service earned from and after the date his participation in the Sanford Plan commenced; and

b) if the termination of employment of the Sanford Plan Participant with all Employers occurs on or after June 14, 1993, $16.00 multiplied by the Sanford Plan Participant's years of Credited Service earned from and after the date his participation in the Sanford Plan commenced, or in the case of a Sanford Plan Participant who was not a participant in the Sanford Plan, earned from and after the date he became a Participant in this Plan.

(2) A Sanford Plan Participant will attain his Eligibility Commencement Date on the date on which he both

completes an Eligibility Year of Service and attains age twenty-one (21).

(3) If a Sanford Plan Participant's employment with all Employers and Affiliated Companies terminates before he attains age sixty-five (65), and if at the time of such termination he has attained age fifty-five (55) and completed twenty (20) years of Vesting Service, such Sanford Plan Participant shall be entitled to commence receipt (in accordance with the terms of this Plan) of his Sanford Plan Benefit on the first day of any calendar month selected by the Sanford Plan Participant on or after the later to occur of the Plan Merger Date and the date of his termination of employment with all Employers and Affiliated Companies, but not later than his Normal Retirement Date. The amount of his Sanford Plan Benefit shall be reduced by the applicable percentage set forth in the table attached to the Plan to reflect the period by which the date of commencement of payment precedes his Normal Retirement Date.

(4) If a Sanford Plan Participant's employment with all Employers and Affiliated Companies terminates before he attains age fifty-five (55), and if at the time of such termination he has completed twenty (20) years of Vesting Service, such Sanford Plan Participant shall be entitled to commence receipt (in accordance with the terms of this Plan) of his Sanford Plan Benefit on the first day of any calendar month selected by the Sanford Plan Participant on or after the later to occur of the Plan Merger Date and the date on which he attains age fifty-five (55), but not later than his Normal Retirement Date. The amount of his Sanford Plan Benefit shall be reduced by the applicable percentage set forth in the table attached to this Plan to reflect the period by which the date of commencement of payment precedes his Normal Retirement Date.

(5) If a Sanford Plan Participant's employment with all Employers and Affiliated Companies terminates before he satisfies the criteria set forth in either paragraph (3) or (4) above, such Sanford Plan Participant shall be entitled to commence receipt (in accordance with the terms of this Plan) of his Sanford Plan Benefit on his Normal Retirement Date.

(6) A Sanford Plan Participant may elect, pursuant to the spousal consent provisions of Section 5.01 of this Plan, either of the optional forms of benefits specified in this subparagraph with respect to his Sanford Plan Benefit. The optional forms of benefit set forth in Article V of this Plan shall not apply with respect to the Sanford Plan Benefit of a Sanford Plan Participant. Any optional form of benefit, or combination of optional forms of benefits, set forth in this subparagraph, shall be the Actuarial Equivalent of the Sanford Plan Benefit otherwise payable with respect to the Sanford Plan Participant. The optional

forms of benefits available pursuant to this subparagraph are as follows:

a) a monthly benefit payable during the lifetime of the Sanford Plan Participant only;

b) a reduced benefit payable to the Sanford Plan Participant during his lifetime and thereafter payments to his Beneficiary, if then living, for life. The amount of each payment to the Sanford Plan Participant will equal a percentage, determined from the table attached hereto, of the benefit which would have been payable to the Sanford Plan Participant in the form of an annuity over his lifetime only. The amount of each payment to his Beneficiary will equal 50% of the amount payable to the Sanford Plan Participant. The value of the single sum Actuarial Equivalent of the benefit payable to the Sanford Plan Participant pursuant to this option shall be greater than the value of the single sum Actuarial Equivalent of the benefit, payable to his Beneficiary (other than his Spouse) computed at the date of his Retirement; and

c) a Merged Plan Participant whose employment with the Company and all Affiliated Companies terminated prior to the Plan Merger Date is entitled to receive his Merged Plan Benefit pursuant to an optional form of benefit that was available under the Sanford Plan at the date of his termination of employment, and that was elected by the Merged Plan Participant prior to the date of his termination of employment pursuant to the terms of the Sanford Plan.

(7) If a Sanford Plan Participant dies before payment of his Sanford Plan Benefit commences, his Surviving Spouse shall be entitled to commence receipt (in accordance with the terms of this Plan) of his Sanford Plan Benefit as follows:

(A) If the Sanford Plan Participant dies before his Normal Retirement Date and after completing at least five (5) but less than twenty (20) years of Vesting Service, his Sanford Plan Benefit (i) shall be payable to his Surviving Spouse as a monthly pension payable for her remaining lifetime in the amount specified in the next sentence, (ii) shall begin on the first day of the month coincident with or next following the date on which the Sanford Plan Participant would have attained his Normal Retirement Date, (iii) shall be payable monthly thereafter during her remaining lifetime, and (iv) shall cease with the payment that is made on the first day of the month in which the Surviving Spouse dies. The monthly amount of such Sanford Plan Benefit shall be equal to 50% of the reduced monthly amount that would have been payable to

the Sanford Plan Participant if he had terminated employment on the date of his death, attained his Normal Retirement Date, commenced receiving his Sanford Plan Benefit in the form of a Qualified Joint and Survivor Annuity on the first day of the month after he attained his Normal Retirement Date, and died on the next day.

(B) If a Sanford Plan Participant dies before attaining age fifty-five (55), and after completing twenty (20) years of Vesting Service, his Sanford Plan Benefit (i) shall be payable to his Surviving Spouse as a monthly pension payable for her remaining lifetime in the amount specified in the next sentence, (ii) shall begin on the first day of the month coincident with or next following the date the Sanford Plan Participant would have attained age fifty-five (55), (iii) shall be payable monthly thereafter for her remaining lifetime, and (iv) shall cease with the payment that is made on the first day of the month in which the Surviving Spouse dies. The monthly amount of such Sanford Plan Benefit shall be equal to 50% of the reduced monthly amount that would have been payable to the Sanford Plan Participant if he had terminated employment on the date of his death, survived to age fifty-five (55), commenced receiving his Sanford Plan Benefit in the form of a Qualified Joint and Survivor Annuity on the first day of the month after he attained age fifty-five (55), and died on the next day.

(C) If a Sanford Plan Participant dies prior to his Normal Retirement Date, and after attaining age fifty-five (55) and completing twenty (20) years of Vesting Service, or dies after attaining his Normal Retirement Date, his Sanford Plan Benefit (i) shall be payable to his Surviving Spouse as a monthly pension payable for her remaining lifetime in the amount specified in the next sentene, (ii) shall begin on the first day of the month coincident with or next following the date of his death, (iii) shall be payable monthly thereafter for her remaining lifetime, and (iv) shall cease with the payment that is made on the first day of the month in which the Surviving Spouse dies. The monthly amount of such Sanford Plan Benefit shall be equal to 50% of the reduced monthly amount that would have been payable to the Sanford Plan Participant if he had terminated employment on the date of his death, commenced receiving his Sanford Plan Benefit in the form of a Qualified Joint and Survivor Annuity on the first day of the month after the date of his death, and died on the next day.

(D) If a Sanford Plan Participant met the criteria described in subparagraph (B) or (C) of this paragraph at the date of his death, the Sanford Plan

Benefit to which his Surviving Spouse is entitled shall be reduced by the applicable percentage set forth in the Table attached to the Plan to reflect the period by which the date of commencement of payment precedes the date that would have been his Normal Retirement Date.

(8) The Eligibility Year of Service, Vesting Service and Credited Service of a Sanford Plan Participant shall be determined pursuant to the following provisions:

(a) Eligibility Year of Service, Vesting Service and Credited Service will be based upon the Hours of Service completed by a Sanford Plan Participant.

Hour of Service means (i) each hour for which a Sanford Plan Participant is paid or entitled to payment for the performance of duties for an Employer or an Affiliated Company; and (ii) each hour for which a Sanford Plan Participant is directly or indirectly paid by an Employer or an Affiliated Company or is entitled to payment from an Employer or an Affiliated Company during which no duties are performed by reason of vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty or leave of absence (but not in excess of 501 hours in any continuous period during which no duties are performed). Each Hour of Service for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by an Employer or an Affiliated Company shall be included under either (i) or (ii) as may be appropriate. Hours of Service shall be credited:

(A) in the case of hours referred to in clause (i) of the first sentence of this paragraph, for the computation period in which the duties are performed;

(B) in the case of hours referred to in clause (ii) of the first sentence of this paragraph, for the computation period or periods in which the period during which no duties are performed occurs; and

(C) in the case of hours for which back pay is awarded or agreed to by an Employer or an Affiliated Company, for the computation period or periods to which the award or agreement pertains rather than to the computation period in which the award, agreement or payment is made.

In determining Hours of Service a Sanford Plan Participant who is employed by an Employer or an Affiliated Company on other than an hourly rated basis shall be credited with ten Hours of Service per day for each day a Sanford Plan Participant would, if hourly rated, be credited with service pursuant to clause (i)

of the first sentence of this paragraph. If a Sanford Plan Participant is paid for reasons other than the performance of duties pursuant to clause (ii) of the first sentence of this paragraph:

(i) in the case of a payment made or due that is calculated on the basis of units of time, a Sanford Plan Participant shall be credited with the number of regularly scheduled working hours included in the units of time on the basis of which the payment is calculated; and

(ii) a Sanford Plan Participant without a regular work schedule shall be credited with eight Hours of Service per day (to a maximum of forty Hours of Service per week) for each day that the Sanford Plan Participant is so paid.

Hours of Service shall be calculated in accordance with Department of Labor Regulations Section 2530.200b-2 or any future legislation or regulation that amends, supplements or supersedes that section.

(b) A Sanford Plan Participant shall earn an Eligibility Year of Service during the 12-month period beginning on his date of hire by an Employer or an Affiliated Company, or, if applicable, on the date set forth in column (1) of Exhibit A, if he completes 1,000 Hours of Service during such 12-month period. If the Sanford Plan Participant does not complete 1,000 Hours of Service during such 12-month period, he will earn an Eligibility Year of Service at the end of any Plan Year in which he completes 1,000 Hours of Service.

(c) A Sanford Plan Participant will earn a year of Vesting Service during each 12-month period beginning on his date of hire by an Employer or an Affiliated Company, or, if applicable, on the date set forth in column (1) of Exhibit A, if he completes 1,000 Hours of Service during such 12 month period. Vesting Service will not include any period of time prior to the date the Sanford Plan Participant attained age 18.

(d) The Credited Service of a Sanford Plan Participant shall be based upon his Vesting Service; provided that Credited Service shall be earned only pursuant to the provisions of Section 15.09A or only while the Sanford Plan Participant is a Participant in the Plan or while working for an Employer during his Eligibility Year of Service.

(e) If a Sanford Plan Participant has a Break in Service and is reemployed by an Employer, his Eligibility Year of Service, Vesting Service and Credited Service shall not include periods of time

completed prior to the Break in Service until the Sanford Plan Participant completes an Eligibility Year of Service after his date of reemployment. In addition, if a Sanford Plan Participant who has a Break in Service is reemployed by an Employer, and at the time his Break in Service began he had not completed five years of Vesting Service, his Eligibility Year of Service, Vesting Service and Credited Service completed prior to the Break in Service shall not be included if the length of his Break in Service equals or exceeds five years. Break in Service means the termination of the employment of a Sanford Plan Participant with all Employers and Affiliated Companies followed by the expiration of a Plan Year in which such Sanford Plan Participant accumulates fewer than 501 Hours of Service. For purposes of this paragraph, a Break in Service shall not be deemed to have occurred if a Sanford Plan Participant resumes his employment with an Employer or an Affiliated Company prior to the expiration of a Plan Year in which he accumulates fewer than 501 Hours of Service.

(f) A Sanford Plan Participant who is absent from work because of (i) the Sanford Plan Participant's pregnancy, (ii) the birth of the Sanford Plan Participant's child, (iii) the placement of a child with the Sanford Plan Participant in connection with the Sanford Plan Participant's adoption of the child, or (iv) caring for such child immediately following such birth or placement, shall receive credit, solely for purposes of determining whether a Break in Service has occurred, for the Hours of Service described in the next sentence of this paragraph; provided that the total number of hours credited as Hours of Service under this paragraph shall not exceed 501 Hours of Service. If a Sanford Plan Participant is absent from work for any of the reasons set forth in the preceding sentence, the Hours of Service that the Sanford Plan Participant will be credited with are (i) the Hours of Service that otherwise would normally have been credited to the Sanford Plan Participant but for such absence, or (ii) eight Hours of Service per day of such absence if the Pension Administrative Committee is unable to determine the Hours of Service described in clause (i). A Sanford Plan Participant who is absent from work for any of the reasons set forth above shall be credited with Hours of Service under this paragraph, (i) only in the Plan Year in which the absence begins, if the Sanford Plan Participant would be prevented from incurring a Break in Service in that Year solely because the period of absence is treated as Hours of Service, as provided in this paragraph, or (ii) in any other case, in the immediately following Plan Year. No credit for Hours of Service will be given pursuant to this paragraph unless the Sanford Plan Participant

furnishes to the Pension Administrative Committee such timely information that the Pension Administrative Committee may reasonably require to establish (i) that the absence from work is for one of the reasons specified above, and (ii) the number of days for which there was such an absence. No credit for Hours of Service will be given pursuant to this paragraph, for any purpose of the Plan other than the determination of whether a Sanford Plan Participant has incurred a Break in Service.

IN WITNESS WHEREOF, the Company has caused the Plan to be executed in its name by its duly authorized officer this 27th day of December, 1994, effective as of the first day of January, 1989.

NEWELL OPERATING COMPANY

By_____

FIRST AMENDMENT TO THE
NEWELL PENSION PLAN FOR FACTORY AND
DISTRIBUTION HOURLY PAID EMPLOYEES
(AS AMENDED AND RESTATED EFFECTIVE AS OF JAN. 1, 1989)

WHEREAS, Newell Operating Company (the "Company") maintains the Newell Pension Plan for Factory and Distribution Hourly Paid Employees (As Amended and Restated Effective as of January 1, 1989) (the "Plan"); and

WHEREAS, the Company has reserved the right to amend the Plan and now deems it appropriate to do so;

NOW, THEREFORE, the Plan is hereby amended in the following respects effective as of the dates specified herein and with respect to each participant who earns an hour of service on or after the applicable effective date:

1. Subsection 14.02(iii) of the Plan is hereby amended, effective as of July 1, 1996, to read as follows:

> In the case of any such Participant who is employed by the Thomas Division of the Company at the date of his termination of employment with all Employers, (a) $6.50 multiplied by the Participant s years of Credited Service earned from and after December 5, 1988 through June 30, 1996; and (b) an amount determined pursuant to subsection 4.01(c) of the Plan with respect to years of Credited Service earned from and after July 1, 1996.

2. Exhibit A to the Plan is hereby amended, effective as of July 1, 1996, to revise the reference to the Thomas Division to read as follows:

	(1) Beginning Date for Hours of Service, Eligibility Year of Service and Vesting Service Deter-mination with Employer	(2) Beginning Date for Credited Service Deter-mination with Employer	(3) 30 Year Credited Service Date
Thomas (EZ Paintr, Johnson City, TN)	Date of Hire*	12-05-88	7-1-96

3. Exhibit B to the Plan is hereby amended, effective as of July 1, 1996, to add the following thereto:

Collective Bargaining Unit or Location	Formula Change Date
Thomas Division, Hourly Paid Nonunion Employees	July 1, 1996**

** $6.50 times years of Credited Serice 1.37-1.85
Formula before Change Date
Formula from and after Formula Change Date

4. Exhibit C to the Plan is hereby amended, effective as of July 1, 1996, to add the following thereto:

Collective Bargaining Unit or Location	Formula Change Date
Thomas Division, Hourly Paid Nonunion Employees	July 1, 1996**

** $6.50 times years of Credited Service 1.37-1.85
Formula before Change Date
Formula from and after Formula Change Date

5. Subsection 14.03(a) of the Plan is hereby amended, effective as July 1, 1996, to read as follows:

> (a) The Early Retirement Date of a Thomas Participant shall mean the first day of a calendar month following the month in which the Thomas Participant completes at least ten (10) years of Vesting Service, attains age sixty (60) and elects, by written notice delivered to the Pension Administrative Committee at least thirty (30) days in advance of such Date, to Retire prior to his Normal Retirement Date. Each Thomas Participant who Retires on his Early Retirement Date shall be entitled to receive a monthly benefit for the remainder of his lifetime equal to his Accrued Benefit upon such Early Retirement Date, reduced as follows to reflect the period between the date such benefit payments commence and his Normal Retirement Date:

(i) For the portion of the Accrued Benefit earned as of June 30, 1996, the reduction shall be as follows:

Years By Which Early Retirement Date Precedes Normal Retirement Date	Percentage of Benefit
0	100%
1	88.64%
2	78.79%
3	70.21%
4	62.72%
5	56.15%

(ii) For the portion of the Accrued Benefit earned on and after July 1, 1996 and prior to January 1, 1998, the reduction shall be equal to one-half of one percent (0.5%) for each month by which the date such benefit payments commence precedes his Normal Retirement Date.

6. The first sentence of subsection 14.03(b) of the Plan is hereby amended, effective as of July 1, 1996, to read as follows:

The benefit payable to a Thomas Participant pursuant to Section 4.04 shall be payable on the first day of the month following his Normal Retirement Date; provided that if the Thomas Participant has completed ten (10) years of Vesting Service at his Severance Date he shall be entitled to receive his benefit on the first day of any month he selects commencing on or after his Early Retirement Date and prior to his Normal Retirement Date, reduced pursuant to paragraph (a) of this Section to reflect the period between the date payments commence and his Normal Retirement Date.

7. The last sentence of subsection 14.03(c) of the Plan is hereby, amended, effective as of July 1, 1996, to read as follows:

Any payment pursuant to this paragraph shall be reduced pursuant to paragraph (a) of this Section to reflect the period between the date such payments commence and the date the Thomas Participant would have attained age sixty-five (65).

8. Subsection 14.03(f) of the Plan is hereby amended, effective as of January 1, 1998, to read as follows:

The benefits earned by a Thomas Participant prior to January 1, 1998 shall be based upon the assumptions and methods set forth in the attached schedules applicable to Thomas Participants.

9. The introductory clause of Section 14.03 of the Plan is hereby amended, effective as of January 1, 1998 to read as follows:

> Notwithstanding any provision of the Plan to the contrary, the following provisions shall apply with respect to the portion of the Accrued Benefit earned prior to January 1, 1998 by a Participant who is employed by the Thomas Division of the Company (Thomas Participant); provided, however, that subsection 14.03(d) shall apply only to a Thomas Participant who is employed by the Thomas Division prior to January 1, 1998:

IN WITNESS WHEREOF, the Company has caused this First Amendment to be executed on its behalf, by its officer duly authorized, this 17th day of April, 1997.

NEWELL OPERATING COMPANY

By:_____

SECOND AMENDMENT TO THE
NEWELL PENSION PLAN FOR FACTORY AND
DISTRIBUTION HOURLY PAID EMPLOYEES

WHEREAS, Newell Operating Company (the "Company") maintains the Newell Pension Plan for Factory and Distribution Hourly Paid Employees (the "Plan"); and

WHEREAS, the Home Fashions, Inc. Hourly Employees Retirement Plan was previously merged into the Plan effective as of December 31, 1995; and

WHEREAS, the Company has reserved the right to amend the Plan and now deems it appropriate to do so;

NOW, THEREFORE, the Plan is hereby amended in the following respects effective as of September 30, 1997:

I. Subsection 4.01 of the Plan is hereby amended to add a new subsection (g) to read as follows:

(g) Effective as of September 30, 1997, benefit accruals under the Plan shall be permanently discontinued with respect to Participants whose benefits are determined in accordance with the formula set forth in the Home Fashions, Inc. Hourly Employees Retirement Plan. Such Participants shall continue to be credited with Vesting Service earned on and after September 30, 1997 in accordance with the terms of the Plan.

IN WITNESS WHEREOF, the Company has caused this Second Amendment to be executed on its behalf, by its officer duly authorized, this 12th day of September, 1997.

NEWELL OPERATING COMPANY

By:_____

FIRST AMENDMENT TO THE NEWELL PENSION PLAN FOR FACTORY AND DISTRIBUTION HOURLY PAID EMPLOYEES

(As Amended and Restated Effective as of Jan. 1, 1989)

WHEREAS, Newell Operating Company (the "Company") maintains the Newell Pension Plan for Factory and Distribution Hourly Paid Employees (As Amended and Restated Effective as of January 1, 1989) (the "Plan"); and

WHEREAS, the Company has reserved the right to amend the Plan and now deems it appropriate to do so;

NOW, THEREFORE, the Plan is hereby amended in the following respects effective as of the dates specified herein and with respect to each participant who earns an hour of service on or after the applicable effective date:

1. Subsection 14.02(iii) of the Plan is hereby amended, effective as of July 1, 1996, to read as follows:

> In the case of any such Participant who is employed by the Thomas Division of the Company at the date of his termination of employment with all Employers, (a) $6.50 multiplied by the Participant's years of Credited Service earned from and after December 5, 1988 through June 30, 1996; and (b) an amount determined pursuant to subsection 4.01(c) of the Plan with respect to years of Credited Service earned from and after July 1, 1996.

2. Exhibit A to the Plan is hereby amended, effective as of July 1, 1996, to revise the reference to the Thomas Division to read as follows:

	(1) Beginning Date for Hours of Service, Eligibility Year of Service and Vesting Service Determination with Employer	(2) Beginning Date for Credited Service Determination with Employer	(3) 30 Year Credited Service Date
Thomas (EZ Paintr, Johnson City, TN)	Date of Hire*	12-05-88	7-1-96

3. Exhibit B to the Plan is hereby amended, effective as of July 1, 1996, to add the following thereto:

Collective Bargaining Unit or Location	Formula Change Date
Thomas Division, Hourly Paid July 1, 1996** Nonunion Employees	
** $6.50 times years of Credited Service 1.37-1.85	Formula before Change Date Formula from and after Formula Change Date

4. Exhibit C to the Plan is hereby amended, effective as of July 1, 1996, to add the following thereto:

Collective Bargaining Unit or Location	Formula Change Date
Thomas Division, Hourly Paid July 1, 1996** Nonunion Employees	
** $6.50 times years of Credited Service 1.37-1.85	Formula before Change Date Formula from and after Formula Change Date

5. Subsection 14.03(a) of the Plan is hereby amended, effective as July 1, 1996, to read as follows:

> (a) The Early Retirement Date of a Thomas Participant shall mean the first day of a calendar month following the month in which the Thomas Participant completes at least ten (10) years of Vesting Service, attains age sixty (60) and elects, by written notice delivered to the Pension Administrative Committee at least thirty (30) days in advance of such Date, to Retire prior to his Normal Retirement Date. Each Thomas Participant who Retires on his Early Retirement Date shall be entitled to receive a monthly benefit for the remainder of his lifetime equal to his Accrued Benefit upon such Early Retirement Date, reduced as follows to reflect the period between the date such benefit payments commence and his Normal Retirement Date:
>
> (i) For the portion of the Accrued Benefit earned as of June 30, 1996, the reduction shall be as follows:

Years By Which Early Retirement Date Precedes Normal Retirement Date	Percentage of Benefit
0	100%
1	88.64%
2	78.79%
3	70.21%
4	62.72%
5	56.15%

> (ii) For the portion of the Accrued Benefit earned on and after July 1, 1996 and prior to January 1, 1998, the reduction shall be equal to one-half of one percent (0.5%) for each month by which the date such benefit payments commence precedes his Normal Retirement Date.

6. The first sentence of subsection 14.03(b) of the Plan is hereby amended, effective as of July 1, 1996, to read as follows:

> The benefit payable to a Thomas Participant pursuant to Section 4.04 shall be payable on the first day of the month following his Normal Retirement Date; provided that if the Thomas Participant has completed ten (10) years of Vesting Service at his Severance Date he shall be entitled to receive his benefit on the first day of any month he selects commencing on or after his Early Retirement Date and prior to his Normal Retirement Date, reduced pursuant to paragraph (a) of this Section to reflect the period between the date payments commence and his Normal Retirement Date.

7. The last sentence of subsection 14.03(c) of the Plan is hereby, amended, effective as of July 1, 1996, to read as follows:

> Any payment pursuant to this paragraph shall be reduced pursuant to paragraph (a) of this Section to reflect the period between

the date such payments commence and the date the Thomas Participant would have attained age sixty-five (65).

8. Subsection 14.03(f) of the Plan is hereby amended, effective as of January 1, 1998, to read as follows:

> The benefits earned by a Thomas Participant prior to January 1, 1998 shall be based upon the assumptions and methods set forth in the attached schedules applicable to Thomas Participants.

9. The introductory clause of Section 14.03 of the Plan is hereby amended, effective as of January 1, 1998 to read as follows:

> Notwithstanding any provision of the Plan to the contrary, the following provisions shall apply with respect to the portion of the Accrued Benefit earned prior to January 1, 1998 by a Participant who is employed by the Thomas Division of the Company ("Thomas Participant"); provided, however, that subsection 14.03(d) shall apply only to a Thomas Participant who is employed by the Thomas Division prior to January 1, 1998:

IN WITNESS WHEREOF, the Company has caused this First Amendment to be executed on its behalf, by its officer duly authorized, this 12th day of September, 1997.

NEWELL OPERATING COMPANY

By:

SECOND AMENDMENT TO THE
NEWELL PENSION PLAN FOR FACTORY AND
DISTRIBUTION HOURLY PAID EMPLOYEES

WHEREAS, Newell Operating Company (the "Company") maintains the Newell Pension Plan for Factory and Distribution Hourly Paid Employees (the "Plan"); and

WHEREAS, the Home Fashions, Inc. Hourly Employees Retirement Plan was previously merged into the Plan effective as of December 31, 1995; and

WHEREAS, the Company has reserved the right to amend the Plan and now deems it appropriate to do so;

NOW, THEREFORE, the Plan is hereby amended in the following respects effective as of September 30, 1997:

I. Subsection 4.01 of the Plan is hereby amended to add a new subsection (g) to read as follows:

II. (g) Effective as of September 30, 1997, benefit accruals under the Plan shall be permanently discontinued with respect to Participants whose benefits are determined in accordance with the formula set forth in the Home Fashions, Inc. Hourly Employees Retirement Plan. Such Participants shall continue to be credited with Vesting Service earned on and after September 30, 1997 in accordance with the terms of the Plan.

IN WITNESS WHEREOF, the Company has caused this Second Amendment to be executed on its behalf, by its officer duly authorized, this 12th day of September, 1997.

NEWELL OPERATING COMPANY

By:

EXHIBIT 10.8

NEWELL OPERATING COMPANY
SUPPLEMENTAL RETIREMENT PLAN FOR KEY EXECUTIVES
1996 RESTATEMENT

Effective January 1, 1996

ARTICLE I
PURPOSE; EFFECTIVE DATE

The purpose of this Supplemental Retirement Plan for Key Executives (hereinafter referred to as the "Plan") is to provide supplemental retirement and death benefits for certain employees of Newell Operating Company (hereinafter referred to as "Company"). The Plan was originally effective as of January 1, 1982. This restatement of the Plan shall be effective as of January 1, 1996.

ARTICLE II
DEFINITIONS

For the purposes of the Plan, the following terms shall have the meanings indicated, unless the context clearly indicates otherwise:

2.1 ACTUARIAL EQUIVALENT. "Actuarial Equivalent" means equivalence in value between two or more forms of payment based on a determination by an actuary chosen by the Company, using sound actuarial assumptions at the time of such determination.

2.2 BENEFICIARY. "Beneficiary" means the person, persons or entity entitled under Article IV to receive any Plan benefits payable after a Participant's death.

2.3 BOARD. "Board" means the Board of Directors of the Company.

2.4 COMMITTEE. "Committee" means the Compensation and Benefits Committee of the Board. The Committee will administer the Plan pursuant to Article VII.

2.5 COMPANY. "Company" means Newell Operating Company, a Delaware corporation, or any successor to the business thereof, and any affiliated or subsidiary corporations thereof or of Newell Co.

2.6 COMPENSATION. "Compensation" means the base salary payable to and bonus earned by a Participant from the Company and considered to be "wages" for purposes of federal income tax withholding and shall not include severance pay. Compensation shall be calculated before reduction for any amounts deferred by he Participant pursuant to the Company's tax qualified plans which may be maintained under Section 401(k) or Section 125 of the Internal Revenue Code (the "Code"), or under the Newell Co. Deferred Compensation Plan. Inclusion of any other forms of compensation is subject to Committee approval.

2.7 CREDITED SERVICE. "Credited Service" means the total period of elapsed time, computed in years and days, during the period beginning on a Participant's Credited Service Date and ending on his date of termination of employment with the Company, or the date designated by the Board as described in Section 3.2. Credited Service shall include leaves of absence authorized by the Company but shall not include any period following termination of employment during which severance pay is received.

2.8 CREDITED SERVICE DATE. "Credited Service Date" means either:

(a) the date on which a Participant commenced employment with Newell Co. or Newell Operating Company; or (b) the later of

(1) the date a Participant commenced employment with an affiliate or subsidiary of Newell Co. or of Newell Operating Company, or

(2) the date such affiliate or subsidiary initially became an affiliate or a subsidiary of Newell Co. or of Newell Operating Company.

Credited Service will start to accrue from the applicable Credited Service Date.

2.9 DEATH BENEFIT OFFSET. "Death Benefit Offset" means the aggregate monthly death benefit (or Actuarial Equivalent) payable in the same manner and form described in Section 4.1(b) with respect to a Participant from all Plan Offsets.

2.10 DEFERRED RETIREMENT DATE. "Deferred Retirement Date" means a date that occurs after the Participant's Normal Retirement Date.

2.11 DEPENDENT CHILDREN. "Dependent Children" means a Participant's unmarried children (including posthumous children and adopted children, but only those adopted at least one (1) year prior to the date of his death) under the age of eighteen (18) years at the date of his death or, at the date of his death, under the age of twenty-two (22) years while a full time student at an elementary or secondary school, a vocational or professional school, or an accredited college or university as an undergraduate or graduate student.

2.12 EARLY RETIREMENT DATE. "Early Retirement Date" means the date on which a Participant both (i) attains age 60 and (ii) completes fifteen (15) years of Early Retirement Service, but has not reached his Normal Retirement Date.

2.13 EARLY RETIREMENT SERVICE. "Early Retirement Service" means the total Vesting Service of a Participant credited under the Plan Offset described in Section 2.21(a).

2.14 ELIGIBLE SPOUSE. "Eligible Spouse" means a person to whom a Participant is lawfully married for at least the one (1) year period ending on the Participant's Retirement.

2.15 FINAL AVERAGE COMPENSATION. "Final Average Compensation" means the sum of a Participant's Compensation from the Company during the five (5) consecutive calendar years in which the Participant's Compensation was the highest divided by sixty (60). If a Participant-has not been employed by the Company for five (5) full calendar years, "Final Average Compensation" shall mean the sum of the Participant's Compensation during the full months (not greater than sixty (60)) he was employed by the Company divided by the number of full months (not greater than sixty (60)) the Participant was employed by the Company.

2.16 JOINT AND FIFTY PERCENT (50%) SURVIVOR ANNUITY. "Joint and Fifty Percent (50%) Survivor Annuity" means an annuity payable for a Participant's life with a survivor annuity payable for the Eligible Spouse's life equal to fifty percent (50%) of the amount paid or payable to the Participant.

2.17 NORMAL RETIREMENT DATE. "Normal Retirement Date" means a Participant's sixty-fifth (65th) birthday.

2.18 "PARTICIPANT" means any employee who is eligible, pursuant to Section 3.1, to participate in the Plan, and who has not yet received full benefits hereunder.

2.19 PARTICIPATION AGREEMENT. "Participation Agreement" means the agreement filed by a Participant which acknowledges assent to the terms of the Plan and approved by the Committee pursuant to Article III.

2.20 PLAN. "Plan" means the Newell Operating Company Supplemental Retirement Plan for Key Executives, as amended and restated effective as of January 1, 1996, as herein set forth and as from time to time amended.

2.21 PLAN OFFSET. "Plan Offset" means any plan or plans maintained by the Company that are used to determine benefits under the Plan. Plan Offsets shall include:

(a) the Newell Pension Plan for Salaried and Clerical Employees; and

(b) any other plan, agreement or arrangement (whether tax qualified or nonqualified) maintained by the Company that provides retirement benefits for a Participant, other than a plan containing a cash or deferred arrangement under Section 401(k) of the Code or any successor section.

2.22 PRIMARY SOCIAL SECURITY BENEFIT. "Primary Social Security Benefit" means the monthly Primary Social Security amount to which a Participant would be entitled upon proper application therefore, under the Old-Age and Survivors Insurance Benefit provisions of the federal Social Security Act as in effect at the Retirement of the Participant, payable on the date that the Supplemental Retirement Benefit begins under Section 5.1, 5.2 or 5.3. If a Participant is not eligible to begin receiving benefits under the federal social Security Act on the date that the Supplemental Retirement Benefit

begins under Section 5.2, under the terms of the federal Social Security Act in effect at the Retirement of the Participant, an age sixty-five (65) benefit (reduced as provided in Section 5.2) shall be substituted, calculated by assuming that the Participant's Compensation for the last full calendar year prior to his Retirement will continue to be his Compensation for calendar years up to the calendar year before his sixty-fifth (65th) birthday. If a Participant is not entitled to benefits under the federal Social Security Act but is entitled to equivalent benefits under a similar national pension program established by a foreign government, "Primary Social Security Benefit" means such equivalent benefits determined on a basis consistent with the above.

2.23 RETIREMENT. "Retirement" means a Participant's (i) separation from employment with the Company on or after the Participant's Early Retirement Date, Normal Retirement Date, or Deferred Retirement Date, and (ii) commencement of receipt of benefits hereunder.

2.24 RETIREMENT BENEFIT OFFSET. "Retirement Benefit Offset" means the aggregate monthly retirement benefit payable under the normal form of benefit payments described in Section 5.4(a)(i) to a Participant from all Plan Offsets.

2.25 SUPPLEMENTAL DEATH BENEFIT. "Supplemental Death Benefit" means the benefit determined under Article IV of the Plan.

2.26 SUPPLEMENTAL RETIREMENT BENEFIT. "Supplemental Retirement Benefit" means the benefit determined under Article V of the Plan.

2.27 SURVIVING SPOUSE. "Surviving Spouse" means a person to whom a Participant is lawfully married for at least the one (1) year period ending on the Participant's date of death.

2.28 TARGET BENEFIT PERCENTAGE. The Target Benefit Percentage shall equal sixty-seven percent (67%) multiplied by a fraction, the numerator of which is a Participant's years and fractional years (computed in days) of Credited Service (not to exceed twenty-five (25)) and the denominator of which is twenty-five (25).

ARTICLE III
PARTICIPATION AND VESTING

3.1 ELIGIBILITY AND PARTICIPATION.

(a) ELIGIBILITY. Eligibility to participate in the Plan shall be limited to an employee of the Company who satisfies all of the following requirements:

(i) is a participant in Bonus categories A or A/B of the Company's Management Bonus Plan; and

(ii) is an active participant in any Plan Offset described in Section 2.21; and

(iii) is a vice president or president of the Company or any affiliated or subsidiary corporation; and

(iv) is a citizen or a resident alien of the United States; and

(v) is designated for participation by management of the Company.

(b) PARTICIPATION. An employee's participation in the Plan shall be effective upon notification to the employee of eligibility to participate, completion of a Participation Agreement by the Participant and acceptance of such Agreement by the Committee. Subject to Sections 3.2 and 3.3, participation in the Plan shall continue until such time as the Participant terminates employment with the Company and all affiliated and subsidiary corporations, and as long thereafter as the Participant (or his Beneficiary, Eligible Spouse or Surviving Spouse) is eligible to receive benefits under this Plan.

3.2 CHANGE IN STATUS.

(a) If the Board determines that the employment performance of a Participant who has not then attained age 60 is no longer at a level that deserves reward through participation in the Plan, but does not terminate the Participant's employment with the Company, or if such a Participant no longer satisfies one or more of the requirements of paragraph (a) of Section 3.1, such Participant's accrued interest in his benefit hereunder shall be forfeited and neither the Participant nor any other person shall be entitled to receive any benefit with respect to such Participant hereunder. Notwithstanding the preceding sentence, the Board, in its discretion, may determine that a Participant described in the preceding sentence shall be entitled to all, or a designated portion, of his accrued interest in his benefit hereunder, determined as of a date designated by the Board, in which event such benefit shall be based solely on the Participant's Credited Service, Early Retirement Service, Final Average Compensation and Retirement Benefit Offset as of such designated date, and his total Primary Social Security Benefit.

(b) If the Board determines that the employment performance of a Participant who has then attained age 60 is no longer at a level that deserves reward through participation in the Plan, but does not terminate the Participant's employment with the Company, or if such a Participant no longer satisfies one or more of the requirements of paragraph (a) of Section 3.1, such Participant's accrued interest in his benefit hereunder, as of a subsequent date designated by the Board, shall be based solely on such Participant's Credited Service, Early Retirement Service, Final Average Compensation and Retirement Benefit Offset, as of such designated date, and his total Primary Social Security Benefit.

(c) If a Participant described in paragraph (a) or paragraph (b) of this Section again is determined by the Board to be performing at a level that deserves a reward through participation in the Plan, or again satisfies all of the requirements of paragraph (a) of Section 3.1, he shall thereafter again actively participate in the Plan and his accrued interest in his benefit hereunder shall be based upon his aggregate Credited Service and Early Retirement Service during his total period of employment with the Company. In addition, the benefit hereunder of a Participant described in the preceding sentence shall be based upon his Final Average Compensation and Retirement Benefit Offset as of the date he ceases termination of employment with the Company, and his total Primary Social Security Benefit.

(d) If a Participant's employment with the Company terminates before he attains age 60, and if he is subsequently reemployed by the Company and satisfies all of the eligibility requirements for active participation in the Plan set forth in paragraph (a) of Section 3.1, he shall be treated as a new Participant and his benefit under the Plan shall be based solely upon his Credited Service, Early Retirement Service, Final Average Compensation and Retirement Benefit Offset from and after his date of reemployment, and his total Primary Social Security Benefit.

(e) If a Participant's employment with the Company terminates on or after the date he attains age 60, and if he is subsequently reemployed by the Company and he satisfies all of the eligibility requirements for active participation in the Plan set forth in paragraph (a) of Section 3.1, any benefit payments then being made to him under the Plan shall be suspended during his subsequent period of reemployment. Upon his subsequent termination of employment with the Company or death, payment of his benefit hereunder shall resume to him, or to his Eligible Spouse or Dependent Children, pursuant to the applicable provisions of the Plan, and shall be based upon his Credited Service, Early Retirement Service, Final Average Compensation and Retirement Benefit Offset for his total period of employment with the Company, both prior to his initial termination of employment and subsequent to his date of reemployment, and his total Primary Social Security Benefit.

3.3 FORFEITURES. No benefits will be payable under the Plan to or in respect of any Participant who:

(a) Terminates employment with the Company for any reason prior to the first to occur of his attainment of age 60, and the date of his death;

(b) Engages in competition with, or works for another business entity in competition with, the Company in the areas that it serves;

(c) Makes any unauthorized disclosure of any trade or business secrets or privileged information acquired during his employment with the Company;

(d) Is found to have stolen or embezzled funds from the Company;

(e) Fraudulently, dishonestly or willfully causes the Company to suffer any loss of, or damage to, money or other property belonging to it or for the care and protection of which it is responsible, or to its reputation;

(f) Is discharged by the Company for repeated drunkenness on the job; or

(g) Is convicted of a felony connected with his employment.

In any such event, the participation of such Participant in the Plan shall automatically terminate and the Company shall have no further obligation to make payments (including further payment of any benefits then being paid) to such Participant (or his Beneficiary, Eligible Spouse or Surviving Spouse) under the Plan.

3.4 SUICIDE OR MISREPRESENTATION. The provisions of Articles IV or V notwithstanding, no benefit shall be paid to a Beneficiary, Eligible Spouse or Surviving Spouse if the Participant's death occurs as a result of suicide during the twenty-four (24) successive calendar months beginning with the calendar month following the commencement of an employee's participation in the Plan. Similarly, no benefit shall be paid if death occurs within the twenty-four (24) successive calendar months following commencement of an employee's participation in the Plan if the Participant has made a material misrepresentation in any form or document provided by the Participant to or for the benefit of the Company or any affiliated or subsidiary corporation.

3.5 VESTING. Except as otherwise provided in Sections 3.3 and 3.4, a Participant shall become one hundred percent (100%) vested in his Supplemental Retirement Benefit and Supplemental Death Benefit accrued under the Plan, while he was a Participant, upon the first to occur of his attainment of age 60 and the date of his death.

3.6 CANADIAN PARTICIPANTS. Effective as of January 1, 1996, individuals employed at locations of affiliates and subsidiaries of the Company in Canada ceased to be Participants in the Plan and became participants in the Newell Operating Company Supplemental Retirement Plan for Key Canadian Executives ("Canadian Plan"). The liability for all accrued benefits of such individuals under the Plan as of January 1, 1996 were transferred as of such date to the Canadian Plan, and such accrued benefits shall be payable pursuant to the terms of the Canadian Plan.

ARTICLE IV
SUPPLEMENTAL DEATH BENEFIT

4.1 PRE-TERMINATION DEATH BENEFIT. If a Participant dies while employed by the Company or any affiliated or subsidiary corporation (subject to Sections 3.2, 3.3 and 3.4), the Company shall pay to the Participant's Surviving Spouse and/or Dependent Children a monthly Supplemental Death Benefit as follows:

(a) AMOUNT. The amount of the Supplemental Death Benefit shall be:

(i) One-half (1/2) of sixty-seven percent (67%) of the Participant's Final Average Compensation, less;

(ii) The Participant's Death Benefit Offset.

The amount payable under paragraph (a) above shall be payable beginning on the date set forth in paragraph (b) of this Section 4.1.

(b) PAYMENT OF BENEFITS. The Supplemental Death Benefit will be paid monthly to the Surviving Spouse, if there is a Surviving Spouse on the Participant's date of death, beginning on the first day of the month next following the Participant's date of death, and will not be reduced for commencement prior to the date the Participant would have attained the age of sixty-five (65) years. The Supplemental Death Benefit shall continue to the Surviving Spouse until the first day of the month coincident with or next preceding the earlier of:

(i) The death of the Surviving Spouse;

(ii) The remarriage of the Surviving Spouse, if at the time of such remarriage, there are one (1) or more Dependent Children; and

(iii) The later of the fifteenth (15th) anniversary of the Participant's date of death and the date that would have been the Participant's sixty-fifth (65th) birthday.

The Supplemental Death Benefit will be paid monthly to the Participant's Dependent Children (payable in equal shares to those persons who then qualify as "Dependent Children"), if there is not a Surviving Spouse on the Participant's date of death, beginning on the first day of the month next following the Participant's date of death, and will not be reduced for commencement prior to the date the Participant would have attained the age of sixty-five (65) years. The Supplemental Death Benefit shall continue to the Dependent Children until the first day of the month coincident with or next preceding the earlier of:

(i) The date that there are no longer any Dependent Children; and

(ii) The later of the fifteenth (15th) anniversary of the Participant's date of death and the date that would have been the Participant's sixty-fifth (65th) birthday.

The Supplemental Death Benefit will also be paid monthly to the Participant's Dependent Children (payable in equal shares to those persons who then qualify as "Dependent Children") beginning on the first day of the month next following the death or remarriage of the Surviving Spouse who had been receiving the Supplemental Death Benefit as described above. The Supplemental Death Benefit shall continue to the Dependent Children until the first day of the month coincident with or next preceding the earlier of:

(i) The date that there are no longer any Dependent Children; and

(ii) The later of the fifteenth (15th) anniversary of the Participant's date of death and the date that would have been the Participant's sixty-fifth (65th) birthday.

If there are no Dependent Children on the date of remarriage of a Surviving Spouse who had been receiving the Supplemental Death Benefit as described above, or on any date subsequent to the date of remarriage, such remarried Surviving Spouse will again be paid, or continue to be paid, a monthly Supplemental Death Benefit beginning on the first day of the month next following the later of the date of remarriage or the date there are no longer Dependent Children. The Supplemental Death Benefit shall continue to the remarried Surviving Spouse until the first day of the month coincident with or next preceding the earlier of:

(i) The death of the remarried Surviving Spouse; and

(ii) The later of the fifteenth (15th) anniversary of the Participant's date of death and the date that would have been the Participant's sixty-fifth (65th) birthday.

If there is not a Surviving Spouse or Dependent Children on the date of death of the Participant, no Supplemental Death Benefit shall be payable under this Section 4.1.

4.2 POST-TERMINATION DEATH BENEFIT.

(a) DEATH PRIOR TO COMMENCEMENT OF BENEFITS. If a Participant dies after his attainment of age 60 and after his termination of employment with the Company, but before payments have commenced hereunder, a monthly Supplemental Death Benefit will be paid with respect to such Participant only if, and to the extent, provided under Section 5.4. The Supplemental Death Benefit (if any) will begin on the first day of the month next following the Participant's date of death, will continue for the duration of the payment period provided under Section 5.4, and will not be reduced for commencement prior to the date the Participant would have attained the age of sixty-five (65) years.

(b) DEATH AFTER COMMENCEMENT OF BENEFITS. If a Participant dies after his attainment of age 60 and after payments have commenced hereunder, a monthly Supplemental Death Benefit will be paid with respect to such Participant only if, and to the extent provided under Section 5.4. The Supplemental Death Benefit (if any) will begin on the first day of the month next following the date on which the Participant received his last payment under Section 5.1, 5.2 or 5.3 (whichever is applicable) and shall continue for the duration of the payment period provided under Section 5.4.

ARTICLE V
SUPPLEMENTAL RETIREMENT BENEFIT

5.1 NORMAL RETIREMENT BENEFIT. If a Participant's employment with the Company terminates on his Normal Retirement Date, or if his employment with the Company terminates after he attains age 60 but before he attains his Early Retirement Date, the Participant's Retirement shall occur on his Normal Retirement Date and the Company shall pay to the Participant a monthly Supplemental Retirement Benefit beginning on the date of payment of the Retirement Benefit Offset attributable to the Plan Offset described in Section 2.21(a). In such event the Supplemental Retirement Benefit shall be paid in an amount equal to the Participant's Target Benefit Percentage multiplied by his Final Average Compensation, less:

(a) The Participant's Primary Social Security Benefit; and

(b) The Participant's Retirement Benefit Offset.

The amounts under (a) and (b) above shall be determined in the amount payable on the date that the Supplemental Retirement Benefit begins under this Section 5.1 and in the same form that the Supplemental Retirement Benefit is paid under Section 5.4.

5.2 EARLY RETIREMENT BENEFIT. If a Participant's employment with the Company terminates on an Early Retirement Date, and if he elects payment of his Retirement Benefit Offset attributable to the Plan Offset described in Section 2.21(a) on any date during the period commencing on his Early Retirement Date and ending on his Normal Retirement Date, the Participant's Retirement shall occur on such Early Retirement Date and the Company shall pay to the Participant a monthly Supplemental Retirement Benefit beginning on the date of payment of such Retirement Offset Benefit; provided that the Committee approves such date of commencement of payment of the Supplemental Retirement Benefit. In such event the Supplemental Retirement Benefit shall be paid in an amount equal to the Participant's Target Benefit Percentage multiplied by his Final Average Compensation, reduced by one-half of one percent (0.5%) for each month, if any, by which benefits payable under this Section 5.2 precede the date that benefits would be payable under Section 5.1, less:

(a) The Participant's Primary Social Security Benefit; and

(b) The Participant's Retirement Benefit Offset.

The amounts under (a) and (b) above shall be determined in the amount payable on the date that the Supplemental Retirement Benefit begins under this Section 5.2 and in the same form that the Supplemental Retirement Benefit is paid under Section 5.4.

If the amount under (a) above is not payable on the date that the Supplemental Retirement Benefit begins under this Section 5.2, an amount payable on the date that benefits would be payable under Section 5.1, reduced by the one-half of one percent (0.5%) reduction mentioned above shall be substituted.

5.3 DEFERRED RETIREMENT BENEFIT. If a Participant's employment with the Company terminates on a Deferred Retirement Date, the Participant's Retirement shall occur on such Deferred Retirement Date and the Company shall pay to the Participant a monthly Supplemental Retirement Benefit beginning on the date of payment of the Retirement Benefit Offset attributable to the Plan Offset described in Section 2.21(a). In such event the Supplemental Retirement Benefit shall be paid in an amount equal to the Participant's Target Benefit Percentage multiplied by his Final Average Compensation, less:

(a) The Participant's Primary Social Security Benefit; and

(b) The Participant's Retirement Benefit Offset.

The amounts under (a) and (b) above shall be determined in the amount payable on the date that the Supplemental Retirement Benefit begins under this Section 5.3 and in the same form that the Supplemental Retirement Benefit is paid under Section 5.4.

5.4 PAYMENT OF BENEFITS.

(a) FORM OF BENEFIT PAYMENTS. The Supplemental Retirement Benefit shall be paid monthly in the normal form provided below, unless the Participant requests an alternative form as described in paragraph (b) next below. Any alternative form shall be the Actuarial Equivalent of the normal form of benefit payments. The normal forms of payment are as follows:

(i) If the Participant has an Eligible Spouse at Retirement, the normal form is a Joint and Fifty Percent (50%) Survivor Annuity.

(ii) If the Participant does not have an Eligible Spouse at Retirement, the normal form is a life annuity payable only for the Participant's life.

(b) If a Participant elects an alternative form of payment of his Retirement Benefit Offset attributable to the Plan Offset described in Section 2.21(a), then his Supplemental Retirement Benefit shall be payable to him in the same alternative form, provided that the Committee approves such alternative form of payment of the Supplemental Retirement Benefit.

(c) COMMENCEMENT OF BENEFIT PAYMENTS. Payment of the Supplemental Retirement Benefit to a Participant under the Normal, Deferred, or Early Retirement provisions of this Article shall commence on the date on which payment of his Retirement Benefit Offset attributable to the Plan Offset described in Section 2.21(a) commences.

5.5 SMALL BENEFIT. If the Actuarial Equivalent of a Supplemental Retirement Benefit or a Supplemental Death Benefit payable to or with respect to a Participant does not exceed $3,500 on the date for commencement of payment thereof, such Supplemental Retirement Benefit or Supplemental Death Benefit shall be payable to the Participant, or to his Eligible Spouse or Dependent Children as applicable, in a lump sum, on or as soon as practicable after the date that payment thereof would otherwise commence.

5.6 ACTUARIAL EQUIVALENT. If a Supplemental Retirement Benefit is payable in an alternative form pursuant to paragraph (b) of Section 5.4, such alternative form of payment, including the Target Benefit Percentage, shall be determined by the same actuarial adjustments as those specified in the Plan Offset described in Section 2.21(a) with respect to determination of the amount of payment of the Retirement Benefit Offset attributable to such Plan Offset. The actuarial adjustments specified in the Plan Offset described in Section 2.21(a) shall also be used to convert the amount of the Primary Social Security Benefit, the Retirement Benefit Offset, and the Death Benefit Offset specified in Sections 5.1, 5.2, 5.3 and 2.9 to the same form in which the Supplemental Retirement Benefit is paid under Section 5.4, or in which the Supplemental Death Benefit is paid under Article IV.

5.7 WITHHOLDING; PAYROLL TAXES. The Company shall withhold from payments made hereunder any taxes required to be withheld from such payments under federal, state or local law. However, a Beneficiary may elect not to have withholding of federal income tax pursuant to Section 3405(a)(2) of the Code, or any successor provision.

5.8 PAYMENT TO GUARDIAN. If a Plan benefit is payable to a minor or a person declared incompetent or to a person incapable of handling the disposition of property, the Committee may direct payment of such Plan benefit to the guardian, legal representative or person having the care and custody of such minor, incompetent or person. The Committee may require proof of incompetency, minority, incapacity or guardianship as it may deem appropriate prior to distribution of the Plan benefit. Such distribution shall completely discharge the Committee and the Company from all liability with respect to such benefit.

ARTICLE VI
BENEFICIARY DESIGNATION

6.1 BENEFICIARY DESIGNATION. Each Participant shall have the right, at any time, to designate any person, persons or entity as Beneficiary or Beneficiaries (both primary as well as secondary) to whom benefits under the Plan shall be paid in the event of a Participant's death prior to complete distribution to the Participant of the Supplemental Retirement Benefit due

under the Plan. Each Beneficiary designation shall be in a written form prescribed by the Committee, and will be effective only when filed with the Committee during the Participant's lifetime.

6.2 CHANGING BENEFICIARY. Any Beneficiary designation may be changed by a Participant without the consent of the previously designated Beneficiary by the filing of a new Beneficiary designation with the Committee. The filing of a new designation shall cancel all designations previously filed. If a Participant's Compensation is community property, any Beneficiary Designation shall be valid or effective only as permitted under applicable law.

6.3 NO BENEFICIARY DESIGNATION. If any Participant fails to designate a Beneficiary in the manner provided above, if the designation is void, or if all designated Beneficiaries predecease the Participant or die prior to complete distribution of the Participant's Supplemental Retirement Benefits, then the Participant's designated Beneficiary shall be deemed to be the person or persons surviving the Participant in the first of the following classes in which there is a survivor, share and share alike;

(a) The Participant's Surviving Spouse;

(b) Tho Participant's children, except that if any of the children predecease the Participant but leave issue surviving, then such issue shall take by right of representation the share their parent would have taken if living;

(c) The Participant's estate.

6.4 EFFECT OF PAYMENT. The payment to the deemed Beneficiary shall completely discharge the Company's obligations under the Plan.

ARTICLE VII
ADMINISTRATION

7.1 COMMITTEE; DUTIES. The Committee shall have the authority to make, amend, interpret, and enforce all appropriate rules and regulations for the administration of the Plan and decide or resolve any and all questions including interpretations of the Plan, as may arise in connection with the Plan. A majority vote of the Committee members shall control any decision. Members of the Committee may be Participants under the Plan.

7.2 AGENTS. The Committee may, from time to time, employ other agents and delegate to them such administrative duties as it sees fit, and may from time to time consult with counsel who may be counsel to the Company.

7.3 BINDING EFFECT OF DECISIONS. The decision or action of the Committee in respect of any question arising out of or in connection with the administration, interpretation and application of the Plan and the rules and regulations promulgated hereunder shall be final and conclusive and binding upon all persons having any interest in the Plan.

7.4 INDEMNITY OF COMMITTEE. The Company shall indemnify and hold harmless the members of the Committee against any and all claims, loss, damage, expense or liability arising from any action or failure to act with respect to the Plan on account of such member's service on the Committee except in the case of gross negligence or willful misconduct.

ARTICLE VIII
CLAIMS PROCEDURE

8.1 CLAIM. Any person or entity claiming a benefit, requesting an interpretation or ruling under the Plan, or requesting information under the Plan (hereinafter referred to as "claimant") shall present the request in writing to the Committee which shall respond in writing within ninety (90) days.

8.2 DENIAL OF CLAIM. If the claim or request is denied, the written notice of denial shall state:

(a) The reason for denial, with specific reference to the Plan provisions on which the denial is based;

(b) A description of any additional material or information required and an explanation of why it is necessary; and

(c) An explanation of the Plan's claim review procedure.

8.3 REVIEW OF CLAIM. Any claimant whose claim or request is denied or who has not received a response within ninety (90) days may request review by notice given in writing to the Committee. Such request must be made within ninety (90) days after receipt by the claimant of the written notice of denial, or in the event the claimant has not received a response within one hundred eighty (180) days after receipt by the Committee of claimant's claim or request. The claim or request shall be reviewed by the Committee which may, but shall not be required to, grant the claimant a hearing. On review, the claimant may have representation, examine pertinent documents, and submit issues and comments in writing.

8.4 FINAL DECISION. The decision on review shall be made within sixty (60) days after the Committee's receipt of the claimant's claim or request. If an extension of time is required for a hearing or other special circumstances, the claimant shall be notified and the time limit shall be one hundred twenty (120) days. The decision shall be in writing and shall state the reason and the relevant Plan provisions. All decisions on review shall be final and bind all parties concerned.

ARTICLE IX
TERMINATION, SUSPENSION OR AMENDMENT

9.1 TERMINATION, SUSPENSION OR AMENDMENT OF PLAN. The Board may, in its sole discretion, terminate or suspend the Plan at any time or from time

to time, in whole or in part. The Board may amend the Plan at any time. Any amendment may provide different benefits or amounts of benefits from those herein set forth. However, no such termination, suspension or amendment shall adversely affect the benefits of Participants which have accrued and vested prior to such action, the benefits of any Participant who has previously retired, except as otherwise determined by the Board under Section 10.1 with respect to any Participant, or the benefits of any Beneficiary, Eligible Spouse or Surviving Spouse of a Participant who has previously died.

ARTICLE X
MISCELLANEOUS

10.1 UNFUNDED PLAN. The Plan is an unfunded plan maintained primarily to provide deferred compensation benefits for a select group of "management OR highly compensated employees" within the meaning of Sections 201, 301, and 401 of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and therefore is exempt from the provisions of Parts 2, 3 and 4 of Title I of ERISA. Accordingly, the Board may terminate the Plan and make no further benefit payments, or remove certain employees as Participants if it is determined by the United States Department of Labor, a court of competent jurisdiction, or an opinion of counsel that the Plan constitutes an employee pension benefit plan within the meaning of Section 3(2) of ERISA (as currently in effect or hereafter amended) which is not so exempt.

10.2 COMPANY OBLIGATION. The obligation to make benefit payments to any Participant under the Plan shall be an obligation solely of the Company with respect to the deferred Compensation receivable from, and contributions by the Company, and shall not be an obligation of another company.

10.3 UNSECURED GENERAL CREDITOR. Except as provided in Section 10.4, Participants and their Beneficiaries, Eligible Spouses, Surviving Spouses, heirs, successors and assigns shall have no legal or equitable rights, interest or claims in any property or assets of the Company, nor shall they be beneficiaries of, or have any rights, claims or interests in, any life insurance policies, annuity contracts or the proceeds therefrom owned or which may be acquired by the Company. Except as provided in Section 10.4, such policies or other assets of the Company shall not be held under any trust for the benefit of Participants, their Beneficiaries, Eligible Spouses, Surviving Spouses, heirs, successors or assigns, or held in any way as collateral security for the fulfilling of the obligations of the Company under the Plan. Any and all of the Company's assets shall be, and remain, the general, unpledged, unrestricted assets of the Company. The Company's obligation under the Plan shall be that of an unfunded and unsecured promise of the Company to pay money in the future.

10.4 TRUST FUND. The Company shall be responsible for the payment of all benefits provided under the Plan. At its discretion, the Company may establish one (1) or more trusts, with such trustees as the Board may approve, for the purpose of providing for the payment of such benefits. Such trust or trusts may be irrevocable, but the assets thereof shall be subject to the claims of the Company's creditors. To the extent any benefits provided under the Plan are actually paid from any such trust, the

Company shall have no further obligation with respect thereto, but to the extent not so paid, such benefits shall remain the obligation of, and hall be paid by, the Company.

10.5 NONASSIGNABILITY. Neither a Participant nor any other person shall have any right to commute, sell, assign, transfer, pledge, anticipate, mortgage or otherwise encumber, transfer, hypothecate or convey in advance of actual receipt the amounts, if any, payable hereunder, or any part thereof, which are, and all rights to which are, expressly declared to be unassignable and nontransferable. No part of the amounts payable shall, prior to actual payment, be subject to seizure or sequestration for the payment of any debts, judgments, alimony or separate maintenance owed by a Participant or any other person, nor be transferable by operation of law in the event of a Participant's or any other person's bankruptcy or insolvency.

10.6 NOT A CONTRACT OF EMPLOYMENT. The terms and conditions of the Plan shall not be deemed to constitute a contract of employment between the Company and any Participant, and neither the Participant (nor his Beneficiary, Eligible Spouse or Surviving Spouse) shall have any rights against the Company except as may otherwise be specifically provided herein. Moreover, nothing in the Plan shall be deemed to give a Participant the right to be retained in the service of the Company or to interfere with the right of the Company to discipline or discharge him at any time.

10.7 PROTECTIVE PROVISIONS. A Participant will cooperate with the Company by furnishing any and all information requested by the Company, in order to facilitate the payment of benefits hereunder and by taking such physical examinations as the Company may deem necessary and taking such other action as may be requested by the Company.

10.8 GENDER AND NUMBER. Whenever any words are used herein in the masculine, they shall be construed as though they were used in the feminine and the neuter in all cases where they would so apply; and wherever any words are used herein in the singular or in the plural, they shall be construed as though they were used in the plural or the singular, as the case may be, in all cases where they would so apply.

10.9 CAPTIONS. The captions of the articles, sections and paragraphs of the Plan are for convenience only and shall not control or affect the meaning or construction of any of its provisions.

10.10 GOVERNING LAW. The provisions of the Plan shall be construed and interpreted according to the laws of the State of Illinois except to the extent preempted by ERISA.

10.11 VALIDITY. In case any provision of the Plan shall be held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts hereof, but the Plan shall be construed and enforced as if such illegal and invalid provision had never been inserted herein.

10.12 NOTICE. Any notice or filing required or permitted to be given to the Committee under the Plan shall be sufficient if in writing and hand

delivered, or sent by registered or certified mail to any member of the Committee or the Secretary of the Company. Such notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification. Mailed notice to the Committee shall be directed to the Company's address. Mailed notice to a Participant, Eligible Spouse, Surviving Spouse or Beneficiary shall be directed to the individual's last known address in the Company's records.

10.13 SUCCESSORS. The provisions of the Plan shall bind and inure to the benefit of the Company and its successors and assigns. The term successors as used herein shall include any corporate or other business entity which shall, whether by merger, consolidation, purchase or otherwise, acquire all or substantially all of the business and assets of the Company, and successors of any such corporation or other business entity.

IN WITNESS WHEREOF, Newell Operating Company has caused this instrument to be executed by its duly authorized officer effective as of January 1, 1996.

NEWELL OPERATING COMPANY

By:
Dated: February 11, 1997

FIRST AMENDMENT TO NEWELL OPERATING COMPANY
SUPPLEMENTAL RETIREMENT PLAN FOR KEY EXECUTIVES

WHEREAS, Newell Operating Company ("Company") adopted the Newell Operating Company Supplemental Retirement Plan for Key Executives, as restated effective January 1, 1996 ("Plan"); and

WHEREAS, the Company wishes to amend the Plan in certain respects;

NOW, THEREFORE, the Plan is amended, effective May 13, 1998, as follows:

1. Section 2.23 is amended to read as follows:

2.23 RETIREMENT. "Retirement" means a Participant's (i) separation from employment with the Company, and (ii) commencement of receipt of benefits hereunder.

2. Section 3.2 is amended to read as follows:

3.2 CHANGE IN STATUS.

(a) If the Board determines that the employment performance of a Participant who has not then either attained age 60, or completed fifteen (15) years of Early Retirement Service, is no longer at a level that deserves reward through participation in the Plan, but does not terminate the Participant's employment with the Company, or if such a Participant no longer satisfies one or more of the requirements of paragraph (a) of Section 3.1, such Participant's accrued interest in his benefit hereunder shall be forfeited and neither the Participant nor any other person shall be entitled to receive any benefit with respect to such Participant hereunder. Notwithstanding the preceding sentence, the Board, in its discretion, may determine that a Participant described

in the preceding sentence shall be entitled to all, or a designated portion, of his accrued interest in his benefit hereunder, determined as of a date designated by the Board, in which event such benefit shall be based solely on the Participant's Credited Service, Early Retirement Service, Final Average Compensation and Retirement Benefit Offset as of such designated date, and his total Primary Social Security Benefit.

(b) If the Board determines that the employment performance of a Participant who has then attained age 60 and/or completed fifteen (15) years of Early Retirement Service is no longer at a level that deserves reward through participation in the Plan, but does not terminate the Participant's employment with the Company, or if such a Participant no longer satisfies one or more of the requirements of paragraph (a) of Section 3.1, such Participant's accrued interest in his benefit hereunder, as of a subsequent date designated by the Board, shall be based solely on such Participant's Credited Service, Early Retirement Service, Final Average Compensation and Retirement Benefit Offset, as of such designated date, and his total Primary Social Security Benefit.

(c) If a Participant described in paragraph (a) or paragraph (b) of this Section again is determined by the Board to be performing at a level that deserves a reward through participation in the Plan, or again satisfies all of the requirements of paragraph (a) of Section 3.1, he shall thereafter again actively participate in the Plan and his accrued interest in his benefit hereunder shall be based upon his aggregate Credited Service and Early Retirement Service during his total period of employment with the Company. In addition, the benefit hereunder of a Participant described in the preceding sentence shall be based upon his Final Average Compensation and Retirement Benefit Offset as of the date he ceases termination of employment with the Company, and his total Primary Social Security Benefit.

(d) If a Participant's employment with the Company terminates before he either attains age 60, or completes fifteen (15) years of Early Retirement Service, and if he is subsequently reemployed by the Company and satisfies all of the eligibility requirements for active participation in the Plan set forth in paragraph (a) of Section 3.1, he shall be treated as a new Participant and his benefit under the Plan shall be based solely upon his Credited Service, Early Retirement Service, Final Average Compensation and Retirement Benefit Offset from and after his date of reemployment, and his total Primary Social Security Benefit.

(e) If a Participant's employment with the Company terminates on or after the date he either attains age 60, or completes fifteen (15) years of Early Retirement Service, and if he is subsequently reemployed by the Company and he satisfies all of the eligibility requirements for active participation in the Plan set forth in paragraph (a) of Section 3.1, any benefit payments then being made to him under the Plan shall be suspended during his subsequent period of reemployment. Upon his subsequent termination of employment with the Company or death, payment of his benefit hereunder shall resume to him, or to his Eligible Spouse or Dependent Children, pursuant to the applicable provisions of the Plan, and shall be based upon his Credited Service, Early Retirement Service, Final Average Compensation and Retirement Benefit Offset for his total period of employment with the Company, both prior to his initial termination of employment and subsequent to his date of reemployment, and his total Primary Social Security Benefit.

3. Section 3.3 is amended to read as follows:

3.3 FORFEITURES. No benefits will be payable under the Plan to or in respect of any Participant who:

(a) voluntarily terminates employment with the Company for any reason at any time prior to the first to occur of his attainment of age 60, and the date of his death;

(b) has his employment with the Company terminated involuntarily for any reason by the Company at any time prior to the date he completes fifteen (15) years of Early Retirement Service;

(c) has his employment with the Company terminated at any time by the Company because of any act or failure to act on the part of the Participant which constitutes fraud, misappropriation, theft or embezzlement of Company funds or intentional breach of fiduciary duty, including a breach of the Company's Code of Business Conduct involving the Company or any of its affiliates.

(d) at any time engages in competition with, or works for another business entity in competition with, the Company in the areas that it serves;

(e) at any time makes any unauthorized disclosure of any trade or business secrets or privileged information acquired during his employment with the Company;

(f) at any time is found to have misappropriated, stolen or embezzled funds from the Company;

(g) at any time fraudulently, dishonestly or willfully causes the Company to suffer any loss of, or damage to, money or other property belonging to it or for the care and protection of which it is responsible or to its reputation;

(h) at any time is discharged by the Company for repeated drunkenness on the job; or

(i) at any time is convicted of a felony connected with his employment by the Company.

In any such event, participation of such Participant in the Plan shall automatically terminate and the Company shall have no further obligation to make payments (including further payments of any benefits then being paid) to such Participant (or to his Beneficiary, Eligible Spouse, or Surviving Spouse) under the Plan.

4. Section 3.5 is amended to read as follows:

VESTING. Except as otherwise provided in Sections 3.2, 3.3 and 3.4, a Participant shall become one hundred percent (100%) vested in his Supplemental Retirement Benefit and Supplemental Death Benefit accrued under the Plan, while he was a Participant, upon the first to occur of his completion of fifteen (15) years of Early Retirement Service, his attainment of age 60, and the date of his death.

5. Section 3.7 is added to read as follows:

3.7 SALE OF AFFILIATE. Notwithstanding any other provisions of the Plan, the following provisions shall apply in the event of a "Sale" of an affiliated or subsidiary corporation or division of the Company that employs a Participant on the date of consummation of such Sale:

1. If the Participant has attained age 60, and/or completed 15 years of Early Retirement Service, at the date of consummation of such Sale, the Supplemental Retirement Benefit and Supplemental Death Benefit earned by such Participant as of the date of consummation shall be payable to, or with respect to, such Participant, or his Surviving Spouse or Dependent Children, pursuant to the terms of the Plan.

2. If the Participant has neither attained age 60 nor completed 15 years of Early Retirement Service at the date of consummation of such Sale, no benefit shall be payable under the Plan to, or in respect of, such Participant.

For purposes of this Section, the term Sale shall include the following:

1. The acquisition of more than 50% of the equity interest in any subsidiary or affiliated corporation of the Company by persons or entities that are not affiliated with the Company;

2. A sale of substantially all of the assets of an affiliated or subsidiary corporation or division of the Company to persons or entities that are not affiliated with the Company; or

3. The effective time of a merger or consolidation of a subsidiary or affiliated corporation of the Company with one or more other entities as a result of which the surviving entity is not affiliated with the Company.

6. Section 4.2 is amended to read as follows:

4.2 POST-TERMINATION DEATH BENEFIT.

(a) DEATH PRIOR TO COMMENCEMENT OF BENEFITS. If a Participant dies after either his attainment of age 60 or his completion of fifteen (15) years of Early Retirement Service and after his termination of employment with the Company, but before payments have commenced hereunder, a monthly Supplemental Death Benefit will be paid with respect to such Participant only if, and to the extent, provided under Section 5.4. The Supplemental Death Benefit (if any) will begin on the first day of the month next following the Participant's date of death, will continue for the duration of the payment period provided under Section 5.4, and will not be reduced for commencement prior to the date the Participant would have attained the age of sixty-five (65) years.

(b) DEATH AFTER COMMENCEMENT OF BENEFITS. If a Participant dies after either his attainment of age 60, or his completion of fifteen (15) years of Early Retirement Service, and after payments have commenced hereunder, a monthly Supplemental Death Benefit will be paid with respect to such Participant only if, and to the extent provided under Section 5.4. The Supplemental Death Benefit (if any) will begin on the first day of the month next following the date on which the Participant received his last payment under

which the Participant received his last payment under Section 5.1, 5.2 or 5.3 (whichever is applicable) and shall continue for the duration of the payment period provided under Section 5.4.

7. The first sentence of Section 5.2 is amended to read as follows:

If a Participant's employment with the Company terminates on or before an Early Retirement Date, and if he elects payment of his Retirement Benefit Offset attributable to the Plan Offset described in Section 2.21(a) on any date during the period commencing on his Early Retirement Date and ending on his Normal Retirement Date, the Participant's Retirement shall occur on such Early Retirement Date and the Company shall pay to the Participant a monthly Supplemental Retirement Benefit beginning on the date of payment of such Retirement Offset Benefit; provided that the Committee approves such date of commencement of payment of the Supplemental Retirement Benefit.

Except as otherwise set forth above, the Plan shall continue in full force and effect.

IN WITNESS WHEREOF, Newell Operating Company has caused this First Amendment to the Newell Operating Company Supplemental Retirement Plan for Key Executives to be executed by its duly authorized officer effective as of May 13, 1998.

NEWELL OPERATING COMPANY, INC.

By:

Dated: August 24, 1998

EXHIBIT 11

COMPUTATION OF EARNINGS PER SHARE OF COMMON STOCK

	Year Ended December 31,		
	1998	1997*	1996*
	(In thousands, except per share data)		
Basic earnings per share:			
Net income	$396,156	$293,147	$259,042
Weighted average shares outstanding	162,544	162,173	161,858
Basic earnings per share:	$2.44	$1.81	$1.60
Diluted earnings per share:			
Net income	$396,156	$293,147	$259,042
Minority interest in income of subsidiary trust, net of tax	16,122	923	0
Net income, assuming conversion of all applicable securities	$412,278	$294,070	$259,042
Weighted average shares outstanding	162,544	162,173	161,858
Incremental common shares applicable to common stock options based on the average market price during the period	632	622	423
Average common shares issuable assuming conversion of the Company-Obligated Mandatorily Redeemable Convertible Preferred Securities of a Subsidiary Trust	9,865	514	0
Weighted average shares outstanding assuming full dilution	173,041	163,309	162,281
Diluted earnings per share, assuming conversion of all applicable securities	$2.38	$1.80	$1.60

* Restated for the May 1998 merger with Calphalon Corporation, which was accounted for as a pooling of interests.

EXHIBIT 12

STATEMENT OF COMPUTATION OF
RATIO OF EARNINGS TO FIXED CHARGES

	For The Year Ended December 31,				
	1998	1997*	1996*	1995*	1994*
	(In thousands, except ratio data)				
Earnings available to fixed charges:					
Income before income taxes	$684,846	$485,334	$428,300	$377,151	$338,432
Fixed charges -					
Interest expense	60,397	76,413	58,541	51,443	31,435
Portion of rent determined to be interest (1)	18,838	16,963	15,185	12,964	10,824
Minority interest in income of subsidiary trust	26,692	1,528	0	0	0
Eliminate equity in earnings	(7,127)	(5,831)	(6,364)	(5,993)	(5,661)
	$787,900	$574,407	$495,662	$435,565	$375,030
Fixed charges:					
Interest expense	$ 60,397	$ 76,413	$ 58,541	$ 51,443	$ 31,435
Portion of rent determined to be interest (1)	18,838	16,963	15,185	12,964	10,824
Minority interest in income of subsidiary trust	26,692	1,528	0	0	0
	$105,927	$ 94,904	$ 73,726	$ 64,407	$ 42,259
Ratio of earnings to fixed charges	7.53	6.05	6.72	6.76	8.87

(1) A standard ratio of 33% was applied to gross rent expense to approximate the interest portion of short-term and long-term leases.

* Restated for the May 1998 merger with Calphalon Corporation, which was accounted for as a pooling of interests.

EXHIBIT 21.1

SIGNIFICANT SUBSIDIARIES

NAME		OWNERSHIP
Intercraft Company	Delaware	100% of stock owned by Newell Co.
Newell Investments Inc.	Delaware	100% of stock owned by Newell Operating Company
Newell Operating Company	Delaware	77.5% of stock owned by Newell Co.; 22.5% of stock owned by Anchor Hocking Corporation
Sanford, L.P.	Illinois (limited partnership)	Newell Operating Company is the general partner and Sanford Investment Company is the limited partner

EXHIBIT 23.1

[ARTHUR ANDERSEN LETTERHEAD]

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our report dated January 27, 1999 included in Form 10-K, into the Company's previously filed Form S-8 Registration Statements File Nos. 33-24447, 33-25196, 33-40641, 33-67632, 33-62047 and 333-38621, Form S-3 Registration Statements File Nos. 33-46208, 33-64225, 333-47261, 333-47261 and 333-53039, and Post-Effective Amendment No. 1 on Form S-8 to Form S-4 Registration Statements File No 33-44957.

ARTHUR ANDERSEN LLP

Milwaukee, Wisconsin
March 19, 1999

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 This schedule contains a summary financial
            information extracted from the Newell Co. and
            Subsidiaries Consolidated Balance Sheets and
            Statements of Income and is qualified in its
            entirety by reference to such financial
            statements.
1,000

    12-MOS
DEC-31-1998
     DEC-31-1998
                57,513
                 0
           652,354
            (24,470)
             714,531
   1,591,075
                1,330,851
      (495,205)
     4,327,912
821,456
                 866,211
500,000
                   0
                162,739
           1,749,268
4,327,912
                3,720,040
   1,171,976
                2,548,064
      3,185,940
    (150,746)
       4,683
    60,397
      684,846
         288,690
  396,156
            0
           0
                 0
         396,156
           2.44
           2.38

479

Allowances for doubtful accounts are reported as contra account to accounts receivable. The Corporate reserve for bad debts is a percentage of trade receivables based on the bad debts experienced in one or more past years, general economic conditions, the age of the receivables and other factors that indicate the element of uncollectibility in the receivables outstanding at the end of the period.

See note 5 to the consolidated financial statements.

EXHIBIT 99

NEWELL SAFE HARBOR STATEMENT

The Company has made statements in its Annual Report on Form 10-K for the year ended December 31, 1998 and the documents incorporated by reference therein that constitute forward-looking statements, as defined by the Private Securities Litigation Reform Act of 1995. These statements are subject to risks and uncertainties. The statements may relate to information or assumptions about sales, income, earnings per share, return on equity, capital expenditures, dividends, capital structure, free cash flow, debt to capitalization ratios, interest rates, internal growth rates, Euro conversion plans and related risks, Year 2000 plans and related risks, pending legal proceedings and claims (including environmental matters), future economic performance, operating income improvements, synergies, management's plans, goals and objectives for future operations and growth. These statements generally are accompanied by words such as "intend," "anticipate," "believe," "estimate," "project," "expect," "should" or similar statements. You should understand that forward-looking statements are not guarantees since there are inherent difficulties in predicting future results. Actual results could differ materially from those expressed or implied in the forward-looking statements. The factors that are discussed below, as well as the matters set forth generally in the 1998 Form 10-K and the documents that are incorporated by reference therein, could cause actual results to differ. In addition, there can be no assurance that:

- we have correctly identified and assessed all of the factors affecting the Company; or
- the publicly available and other information with respect to these factors is complete or correct.

Retail Economy

Our business depends on the strength of the retail economies in various parts of the world, primarily in the U.S. and to a lesser extent in:

- Europe, including the Middle East and Africa;
- Latin America; including Mexico and Central America;
- Canada; and
- Asia, including Australia and New Zealand.

These retail economies are affected by such factors as consumer demand, the condition of the consumer products retail industry and weather conditions. In recent years, the consumer products retail industry has been characterized by intense competition and consolidation among both product suppliers and retailers.

Nature of the Marketplace

We compete with numerous other manufacturers and distributors of consumer products, many of which are large and well-established. In addition, our principal customers are volume purchasers, many of which are much larger than us and have strong bargaining power with suppliers, which limits our ability to recover cost increases through increased selling prices. The rapid growth of large mass merchandisers, such as discount stores, warehouse clubs, home centers and office superstores, together with changes in consumer shopping patterns, have contributed to a significant consolidation of the consumer products retail industry and the formulation of dominant multi-category retailers. Other trends among retailers are to require manufacturers to supply innovative new products, maintain or reduce product prices or deliver products with shorter lead times, or for the retailer to import generic products directly from foreign sources. The combination of these market influences has created an intensely competitive environment in which our principal customers continuously evaluate which product suppliers to use, resulting in pricing pressures and the need for ongoing improvements in customer service.

Growth by Acquisition

The acquisition of companies that sell branded, staple consumer product lines to volume purchasers is one of the foundations of our growth strategy. Our ability to continue to make sufficient strategic acquisitions at reasonable prices and to integrate the acquired businesses within a reasonable period of time are important factors in our future earnings growth.

Foreign Operations

Foreign operations, which include manufacturing in Canada, Mexico, Brazil, Colombia, Venezuela and many countries in Europe, and importing products from the Far East, increasingly are becoming important to our business. Foreign operations can be affected by factors such as currency devaluation, other currency fluctuations and the Euro currency conversion, tariffs, nationalization, exchange controls, interest rates, limitations on foreign investment in local businesses and other political, economic and regulatory risks and difficulties.

Integration of Rubbermaid

We expect that our proposed merger with Rubbermaid Incorporated will be effective before the end of the first quarter of 1999. After the merger, we will commence the process of integrating Rubbermaid's

businesses into our businesses. Our ability to integrate these businesses successfully, given the size of Rubbermaid and the differences in corporate culture, as well as to realize anticipated operating income improvements, are important factors in our future earnings growth.