As filed with the Securities and Exchange Commission on September 6, 1995.
Registration No.33-_____

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-3
Registration Statement
Under
The Securities Act of 1933

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<br>29 East Stephenson Street<br>Freeport, Illinois 61032<br>(815) 235-4171<br>(Address, Including Zip Code, and Telephone Number, including Area Code, of Registrant's Principal Executive Offices) | Dale L. Matschullat<br>4000 Auburn Street<br>Rockford, Illinois 61125<br>(815) 969-6101<br>(Name, Address, Including Zip Code, and Telephone Number, including Area Code, of Agent for Service) |
|---|---|

With Copies to:

| Linda J. Wight<br>Schiff Hardin & Waite<br>7200 Sears Tower<br>Chicago, Illinois 60606<br>(312) 876-1000 | Kenneth Gliedman<br>Spitzer & Feldman P.C.<br>405 Park Avenue<br>New York, New York 10022<br>(212) 888-6680 |
|---|---|

Approximate date of commencement of the proposed sale of the securities to the public: From time to time after the effective date of this Registration Statement.

If the securities being registered on this form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. [X]

If the form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.
[_] _____

If the form is a post effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_] _____

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. [_]

CALCULATION OF REGISTRATION FEE

| Title of Each Class of Securities To Be Registered | Amount To Be Registered | Proposed Maximum Aggregate Price Per Unit (1) | Proposed Maximum Aggregate Offering Price (1) | Amount of Registration Fee |
|---|---|---|---|---|
| Common Stock, Par Value $1.00 Per Share . . . . | 247,946 | $26.25 | $6,508,582.50 | $2,245.00 |
| Preferred Stock Purchase Rights . | | | | |

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) under the Securities Act of 1933 based on $26.25, the average of the high and low prices of the Common Stock on

August 28, 1995, as reported in the consolidated reporting system. The value attributable to the Preferred Stock Purchase Rights is reflected in the value attributable to the Common Stock.

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The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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PROSPECTUS

NEWELL CO.
UP TO 247,946 SHARES
COMMON STOCK, $1.00 PAR VALUE PER SHARE
(INCLUDING RELATED PREFERRED STOCK PURCHASE RIGHTS)

The shares of Common Stock, par value $1.00 per share (the "Common Stock"), together with the Preferred Stock Purchase Rights (the "Rights") offered to the public hereby (collectively, the "Shares") are outstanding Shares of Newell Co., a Delaware corporation (the "Company"), that may be sold by the Selling Stockholder as set forth under "Selling Stockholder." The Company will not receive any part of the proceeds from the sale of the Shares. The Common Stock is listed on the New York Stock Exchange, Inc. (the "NYSE") and the Chicago Stock Exchange (the "CSE") under the symbol NWL. On August 28, 1995, the closing sale price for the Common Stock (as reported on the Composite Tape for NYSE-listed issues) was $26-1/4.

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THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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The Company has been advised that sales of the Shares may be made from time to time by or for the account of the Selling Stockholder on the NYSE, in the over-the-counter market, in private transactions or otherwise through broker-dealers. Any such sales will be made either at market prices prevailing at the time of sale or at negotiated prices. Any broker-dealer may either act as agent for the Selling Stockholder or may purchase any of the Shares as principal and thereafter may sell such Shares from time to time in transactions on the NYSE, the CSE or in the over-the-counter market at prices prevailing at the time of sale or at negotiated prices.

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THE DATE OF THIS PROSPECTUS IS SEPTEMBER ____, 1995.



AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission (the "SEC"). Reports, proxy statements and other information filed by the Company can be inspected and copied at prescribed rates at the public reference facilities maintained by the SEC at Room 1024, 450 Fifth

Street, N.W., Washington, D.C. 20549, and at the SEC's Regional Offices located at Seven World Trade Center, New York, New York, 10048; and the Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511. The Common Stock is listed on the NYSE and the CSE and such reports, proxy statements and other information concerning the Company can be inspected at the offices of the NYSE, 20 Broad Street, New York, New York 10005 and at the offices of the CSE, One Financial Place, 440 South LaSalle Street, Chicago, Illinois 60605-1070.

The Company has filed with the SEC a registration statement on Form S-3 (File No. 33-_____) (herein, together with all amendments and exhibits, referred to as the "Registration Statement") under the Securities Act of 1933, as amended (the "Securities Act"). This Prospectus does not contain all of the information set forth in the Registration Statement, certain parts of which are omitted in accordance with the rules and regulations of the SEC. For further information, reference is hereby made to the Registration Statement.

## INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The following documents filed by the Company pursuant to the Exchange Act are hereby incorporated by reference:

(a) The Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1994;

(b) The Company's Report on Form 8-K filed on February 10, 1995;

(c) The Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1995;

(c) The Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1995;

(d) The Company's Report on Form 8-K filed on August 14, 1995;

(e) The description of the Rights contained in the Company's Registration Statement on Form 8-A dated October 25, 1988, including any amendment or report filed for the purpose of updating such description;

(f) The description of the Common Stock, contained in the Company's Registration Statement on Form 8-B



dated June 30, 1987, including any amendment or report filed for the purpose of updating such description; and

(g) All documents subsequently filed by the Company pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act, prior to the filing of a post-effective amendment which indicates that all securities offered have been sold or which deregisters all securities then remaining unsold.

Any statement contained herein or in a document incorporated by reference or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that such statement is modified or superseded by any other subsequently filed document which is incorporated or is deemed to be incorporated by reference herein. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

The Company will provide without charge to each person, including any beneficial owner, to whom a copy of this Prospectus has been delivered, upon the written or oral request of such person, a copy of any or all of the documents which are incorporated herein by reference, other than exhibits to such documents (unless such exhibits

are specifically incorporated by reference into such documents). Requests for such copies should be directed to: Richard H. Wolff, Secretary, Newell Co., 4000 Auburn Street, Rockford, Illinois 61125 (telephone: (815) 969-6111).

## THE COMPANY

The Company is a manufacturer and full-service marketer of high-volume consumer products serving the needs of volume purchasers. The Company's basic strategy is to merchandise a multi-product offering of brand-name staple products, with an emphasis on excellent customer service, in order to achieve maximum results for its stockholders. Product categories include housewares, hardware, home furnishings, and office products. Each group of the Company's products is manufactured and sold by a subsidiary or division (each referred to herein as a "division," even if separately incorporated).

The Company manages the activities of its divisions through executives at the corporate level, to whom the divisional managers report, and controls financial activities through centralized accounting, capital expenditure reporting, cash management, order processing, billing, credit, accounts receivable and data processing operations. The production and marketing functions of each division, however, are conducted with substantial independence. Each division is managed by employees who make day-to-day operating and sales decisions and participate in an incentive compensation plan that ties a significant part of their compensation to their division's performance. The Company believes that this allocation of responsibility and system of incentives fosters an entrepreneurial



approach to management that has been important to the Company's success.

As of August 28, 1995, there were 158,549,262 shares of Common Stock and related Rights outstanding. For the fiscal year ended December 31, 1994, the Company had net sales of approximately $2,074,934,000 and operating income of approximately $357,865,000.

The principal executive offices of the Company are located at Newell Center, 29 East Stephenson Street, Freeport, Illinois 61032, and its telephone number is (815) 235-4171.

## SELLING STOCKHOLDER

The Shares covered by this Prospectus are being offered by or for the account of Carl M. Philips (the "Selling Stockholder"). The Selling Stockholder was a stockholder of Philips Industries, Inc. ("Philips"), which became a wholly-owned subsidiary of the Company on August 25, 1995, pursuant to an Agreement and Plan of Reorganization (the "Reorganization Agreement") dated as of August 25, 1995, by and among the Company, Philips Acquisition Co., a New York corporation, and Philips. Pursuant to the Reorganization Agreement, all of the outstanding shares of common stock of Philips owned by the Selling Stockholder were converted into 247,946 Shares.

The Selling Stockholder currently owns 247,946 Shares. Pursuant to the terms and conditions of two Escrow Agreements by and between the Company, the Selling Stockholder and Firstar Trust Company, the Selling Stockholder placed in escrow 59,355 of the Shares as security for certain indemnification obligations of the Selling Stockholder under the Reorganization Agreement. The escrow for 30,159 Shares will terminate on the later of August 25, 1996 or the final resolution of the last claim permitted under the terms of that Escrow Agreement. An additional 29,196 Shares are held in escrow under a separate Escrow Agreement as security for the Selling Stockholder's obligations to the Company relating to a real estate lease, which Shares are to be released from escrow when the security is no longer required. Any shares not used to satisfy the Selling Stockholder's indemnification obligations and still held in escrow at the termination of the respective Escrow Agreements will be distributed to

the Selling Stockholder and then may be sold pursuant to this Prospectus.

## PLAN OF DISTRIBUTION

The Selling Stockholder has advised the Company that sales of Shares may be made from time to time for its account on the NYSE, the CSE, in the over-the-counter market, in private transactions or otherwise through broker-dealers. Any such sales will be made either at market prices prevailing at the time of sale or at negotiated



prices. Whether any such sales will be made, and the time of any such sales, will rest within the Selling Stockholder's discretion.

The Selling Stockholder has not identified to the Company any broker-dealer that may participate in the offer. Any such broker-dealer either may act as agent for the Selling Stockholder or may purchase any of the Shares as principal and thereafter may sell such Shares from time to time in transactions on the NYSE, the CSE or in the over-the-counter market at prices prevailing at the time of sale or at negotiated prices. Any broker-dealer that may be used by the Selling Stockholder might be deemed to be an "underwriter" as defined in the Securities Act, and any commissions paid to such broker-dealer (and, if such broker-dealer purchases Shares as a principal, any profits received on the resale of such Shares) may be deemed to be underwriting discounts or commissions under the Securities Act. In addition, the Selling Stockholder may be deemed to be an underwriter within the meaning of the Securities Act with respect to the Shares, and any profits realized by such person may be deemed to be underwriting commissions.

## LEGAL OPINION

The legality of the Shares offered hereby has been passed upon for the Company by Schiff Hardin & Waite, 7200 Sears Tower, Chicago, Illinois 60606. Schiff Hardin & Waite has advised the Company that a member of the firm participating in the representation of the Company in this offering owns 3,746 Shares.

## EXPERTS

The consolidated financial statements of the Company incorporated herein have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their report with respect thereto, and incorporated herein in reliance upon the authority of said firm as experts in accounting and auditing in giving said report.



# PART II

## INFORMATION NOT REQUIRED IN PROSPECTUS

### ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

The following table sets forth all expenses in connection with the distribution of the shares of Common Stock (and the Preferred Stock Purchase Rights related thereto) being registered. All amounts shown below are estimates, except the registration fee:

| | |
|---|---|
| Registration fee of Securities and Exchange Commission . . . . . | $2,245.00 |
| Stock Exchange Listing Fees . . . . . | 2,740.00 |
| Accountants' fees and expenses . . . . . | 2,500.00 |
| Legal fees and expenses . . . . . | 5,000.00 |

| | |
|---|---|
| Miscellaneous . . . . . | 2,515.00 |
| TOTAL . . . . . | $ 15,000.00 |

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Restated Certificate of Incorporation and By-Laws of the registrant provide for indemnification by the registrant of each of its directors and officers to the fullest extent permitted by law for liability (including liability arising under the Securities Act of 1933 (the "Act")) of such director or officer arising by reason of his or her status as a director or officer of the registrant, provided that he or she met the standards established in the Restated Certificate of Incorporation, which include requirements that he or she acted in good faith and in a manner he or she reasonably believed to be in the registrant's best interest. The registrant will also advance expenses prior to final disposition of an action, suit or proceeding upon receipt of an undertaking by the director or officer to repay such amount if the director or officer is not entitled to indemnification. All rights to indemnification and advancement of expenses are deemed to be a contract between the registrant and its directors and officers. The determination that a director or officer has met the standards established in the Restated Certificate of Incorporation and By-Laws may be made by majority vote of a quorum consisting of disinterested directors, an opinion of counsel (regardless of whether such quorum is available), a majority vote of stockholders, or a court (which may also overturn any of the preceding determinations). The registrant has purchased insurance against liabilities of directors or officers, as permitted by the Restated Certificate of Incorporation and By-Laws. The registrant also has entered into indemnification agreements with each of its directors and officers which provide that the directors and officers will be entitled to their indemnification rights as they existed at the time they entered into the agreement, regardless of subsequent changes in the registrant's indemnification policy.



ITEM 16. EXHIBITS

The Exhibits filed herewith are set forth on the Index to Exhibits filed as a part of this Registration Statement on page II-6 hereof.

ITEM 17. UNDERTAKINGS

The undersigned registrant hereby undertakes:

1. To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(a) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(b) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement;

(c) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

PROVIDED, HOWEVER, that paragraphs 1(a) and 1(b) do not apply if the registration statement is on Form S-3, Form S-8 or Form F-3, and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the registrant pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement.

2. That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial BONA FIDE offering thereof.

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

4. That, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or 15(d) of the Exchange Act, that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial BONA FIDE offering thereof.



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



## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Registrant certifies that it has reasonable grounds to believe that it meets all the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Rockford, State of Illinois, on this 6th day of September, 1995.

NEWELL CO.
(Registrant)
By: /s/ William T. Alldredge
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William T. Alldredge
Vice President - Finance

Each person whose signature appears below appoints William P. Sovey and William T. Alldredge or either of them, as such person's true and lawful attorneys to execute in the name of each such person, and to file, any amendments to this registration statement that either of such attorneys shall deem necessary or advisable to enable the Registrant to comply with the Securities Act of 1933, as amended, and any rules, regulations and requirements of the Securities and Exchange Commission with respect thereto, in connection with the registration of shares of Common Stock of the Registrant that are subject to this registration statement (and the Preferred Stock Purchase Rights attached thereto), which amendments may make such changes in such registration statement as either of the above-named attorneys deems appropriate, and to comply with the undertakings of the Registrant made in connection with this registration statement; and each of the undersigned hereby ratifies all that either of said attorneys shall do

or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

| SIGNATURE | TITLE | DATE |
|---|---|---|
| /s/ William P. Sovey<br>William P. Sovey | Vice Chairman and Chief Executive Officer (Principal Executive Officer) and Director | September 6, 1995 |
| /s/William T. Alldredge<br>William T. Alldredge | Vice President-Finance (Principal Financial Officer) | September 6, 1995 |



| SIGNATURE | TITLE | DATE |
|---|---|---|
| /s/Thomas A. Ferguson, Jr.<br>Thomas A. Ferguson, Jr. | President and Chief Operating Officer and Director | September 6, 1995 |
| /s/ Donald L. Krause<br>Donald L. Krause | Senior Vice President - Controller (Principal Accounting Officer) | September 6, 1995 |
| /s/ Daniel C. Ferguson<br>Daniel C. Ferguson | Chairman of the Board of Directors | September 6, 1995 |
| /s/ Alton F. Doody<br>Alton F. Doody | Director | September 6, 1995 |
| /s/ Gary H. Driggs<br>Gary H. Driggs | Director | September 6, 1995 |
| /s/ Robert L. Katz<br>Robert L. Katz | Director | September 6, 1995 |
| /s/ John J. McDonough<br>John J. McDonough | Director | September 6, 1995 |
| /s/Elizabeth Cuthbert Millett<br>Elizabeth Cuthbert Millett | Director | September 6, 1995 |
| /s/ Allan P. Newell<br>Allan P. Newell | Director | September 6, 1995 |
| /s/ Henry B. Pearsall<br>Henry B. Pearsall | Director | September 6, 1995 |

INDEX TO EXHIBITS

| EXHIBIT INDEX | EXHIBIT |
|---|---|
| 2.1 | Agreement and Plan of Reorganization dated as of August 25, 1995 by and among Newell Co., Philips Acquisition Co., and Philips Industries, Inc. |
| 2.2 | Escrow Agreement dated as of August 25, 1995 by and among Newell Co., Carl M. Philips and Firstar Trust Company. |
| 2.3 | Escrow and Indemnity Agreement dated as of August 25, 1995 by and among Newell Co., Carl M. Philips and Firstar Trust Company |
| 5 | Opinion of Schiff Hardin & Waite |
| 23.1 | Consent of Arthur Andersen LLP |
| 23.2 | Consent of Schiff Hardin & Waite (contained in their opinion filed as Exhibit 5) |
| 24 | Powers of attorney (set forth on the signature page of this registration statement) |

EXHIBIT 2.1

# AGREEMENT AND PLAN OF REORGANIZATION

BETWEEN

NEWELL CO.

PHILIPS ACQUISITION CORP.

PHILIPS INDUSTRIES, INC.

AND

CARL PHILIPS

Dated August 25, 1995

## AGREEMENT AND PLAN OF REORGANIZATION

This Agreement and Plan of Reorganization (this "Agreement") is made and entered into this 25th day of August, 1995 by and among NEWELL CO., a Delaware corporation ("Newell"), PHILIPS ACQUISITION CORP., a New York corporation ("Acquisition"), PHILIPS INDUSTRIES, INC., a New York corporation (the "Company"), and CARL PHILIPS (the "Shareholder").

WITNESSETH:

WHEREAS, Newell owns all of the outstanding capital stock of Acquisition; and

WHEREAS, the Shareholder owns 100 percent of the outstanding shares of capital stock of the Company; and

WHEREAS, the respective Boards of Directors of Newell, Acquisition and the Company have approved the transactions provided for by this Agreement, pursuant to which Acquisition is to be merged into the Company in accordance with the applicable provisions of the New York Business Corporation Law, which merger is intended to qualify as a reorganization under Section 368 of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, Newell has agreed to provide the shares required to convert, at the Effective Time (as hereinafter defined) of the merger, each of the outstanding shares of Common Stock, no par value, of the Company (collectively, the "Company Common Stock") into shares of Common Stock, $1.00 par value, of Newell ("Newell Common Stock"), subject to the provisions of this Agreement and the Plan of Merger (the "Plan of Merger") attached hereto as Exhibit A, all upon the terms and conditions hereinafter set forth;

NOW, THEREFORE, in order to consummate the transactions set forth above and in consideration of the mutual covenants, agreements, representations and warranties herein contained, the parties agree as follows:

ARTICLE I
The Merger

1.01 The Merger. Subject to the terms and conditions of this Agreement and the Plan of Merger, Acquisition shall be merged with and into the Company in accordance with the New York Business Corporation Law (the "Merger"), the separate corporate existence of Acquisition shall cease, and the Company shall be the surviving corporation.

The Plan of Merger sets forth the terms of the Merger, the mode of carrying the same into effect, and the manner of converting the outstanding shares of Company Common Stock into shares of Newell Common Stock. The Merger shall be consummated after the closing provided in Section 1.02 hereof when properly executed Certificate of



Merger, in the form annexed hereto as Exhibit A-1, is executed and filed with the Secretary of State of New York in accordance with the New York Business Corporation Law (the "Effective Time").

1.02 Closing. The closing of the transactions contemplated by this Agreement (the "Closing") and the Plan of Merger shall take place at the offices of Spitzer & Feldman, 405 Park Avenue, New York, NY 10022 on August 25, 1995, or at such other time and place as Newell and the Company shall agree in accordance with the provisions hereof.

ARTICLE II
Representations and Warranties of the Company and the Shareholder

The Company and the Shareholder hereby jointly and severally represent and warrant to Newell and Acquisition that:

2.01 Organization and Authority. The Company is duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation with all requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted, and is not qualified in any other jurisdiction. Copies of the Articles of Incorporation and By-Laws of the Company that have been heretofore delivered to Newell are complete and correct as of the date hereof.

2.02 Subsidiaries and Affiliates. Except for 938217 Ontario Limited, an Ontario corporation, there are no corporations, partnerships or other entities in which the Company has an equity interest other than minimum positions received in settlement of claims in reorganizations of customers.

2.03 Capitalization of the Company. The authorized capital stock of the Company consists of 200 shares of Common Stock, no par value per share. Of such shares, 76 shares of Common Stock are issued and outstanding and owned by the Shareholder. All of the outstanding shares of Company Common Stock have been issued pursuant to and in accordance with valid exemptions from registration under the Securities Act of 1933, as amended, and the State of New York, and securities laws and rules and regulations under such laws, and all such shares are free of pre-emptive rights. There are no other shares of capital stock or other equity securities (or debt securities with any voting rights or convertible into securities with any voting rights) of the Company outstanding and no other outstanding options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, shares of capital stock of the Company.

2.04 Authorization. The Company has full power and authority to enter into this Agreement and the Plan of Merger and to carry out its obligations hereunder and thereunder. The execution and delivery of this Agreement and the Plan of Merger and the consummation of the transactions contemplated hereby and thereby have been duly authorized by the Company's Board of Directors and Shareholder, and no other

corporate proceedings on the part of the Company are necessary to authorize this Agreement, the Plan of Merger and the transactions contemplated hereby and thereby. This Agreement and the Plan of Merger have been duly executed and delivered by the Company. This Agreement is, and subject to approval by the Shareholder of the Company, the Plan of Merger will be, legal, valid and binding obligations of the Company enforceable against the Company in accordance with their respective terms. This Agreement has been duly executed and delivered by the Shareholder and is the legal, valid and binding obligation of the Shareholder enforceable against the Shareholder in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors rights generally and by principles of equity. Neither the execution and delivery of this Agreement nor the Plan of Merger by the Company, nor the execution and delivery of this Agreement by the Shareholder, nor the consummation of the transactions contemplated hereby and thereby, nor compliance by the Company or the Shareholder with any of the provisions hereof or thereof will (i) violate, conflict with, or result in a breach of any provisions of, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under, or result in the termination of, or accelerate the performance required by, or result in a right of termination or acceleration, or result in the creation of any lien, security interest, charge or encumbrance upon any of the material properties or assets of the Company, under any of the terms, conditions or provisions of (x) its charter or by-laws, or (y) except as disclosed in Schedule 2.04, any note, bond, mortgage, indenture, deed of trust, license, lease, agreement or other instrument or obligation to which the Company or Shareholder is a party, or by which any property or assets of the foregoing may be subject, or (ii) violate any judgment, ruling, order, writ, injunction, decree, statute, rule or regulation applicable to the Company or Shareholder or any of its respective properties or assets.

2.05 Financial Statements. The (i) audited balance sheet as of December 31, 1994, and the unaudited balance sheet as at July 31, 1995 (the unaudited balance sheet as of July 31, 1995 being herein referred to as the "Company Balance Sheet" ) and (ii) the audited statement of income, stockholders equity and cash flow for the fiscal year ended December 31, 1994 and unaudited statement for the period ending July 31, 1995 that have heretofore been delivered to Newell fairly present the financial condition and results of operations of the Company as at the respective dates and all such financial statements have been prepared in accordance with generally accepted accounting principles consistently applied throughout the periods involved, other than year-end adjustments consistent with past practice and Casero Labs, Ltd., which was sold as of 3/31/95 is not included in the financial statements for the period ended 7/31/95.

2.06 Inventory. All inventory reflected on the Company Balance Sheet or thereafter acquired, was acquired or manufactured in the ordinary course of business, and is usable or saleable in the ordinary course of business, including close-outs, consistent with past practice.



2.07 Receivables. All accounts, notes and other receivables of the Company, whether reflected in the Company Balance Sheet or arising thereafter, represent sales in the ordinary course of business, and none of such receivables or other debts is or will be at the date of the Closing subject to any counterclaims or set-offs, except (i) consistent with past practice, (ii) as otherwise reflected in the Company Balance Sheet, or (iii) as to after-arising accounts receivable, equivalent reserves.

2.08 Absence of Certain Changes.

(a) Since July 31, 1995, the Company has conducted its business only in the ordinary and usual course and has not experienced any changes in its condition (financial or otherwise), assets,

liabilities, business or operations which individually or in the aggregate had a material adverse effect. Without limiting the generality of the foregoing sentence, since July 31, 1995, the Company has not, except as shown on Schedule 2.08:

(i) paid, discharged or satisfied any liability or obligation (whether accrued, absolute, contingent or otherwise) in excess of $10,000 other than the payment, discharge or satisfaction, in the ordinary and usual course of business, of liabilities or obligations shown or reflected on the Company Balance Sheet or incurred any liability or obligation in excess of $10,000 except in the ordinary course of business since the date of the Company Balance Sheet;

(ii) except for the Marine Loan ("Marine Loan") listed on Schedule 2.04 in the ordinary and usual course of business, permitted or allowed any assets (whether real, personal or mixed, tangible or intangible) to be subjected to any mortgage, pledge, lien, security interest, encumbrance, restriction or charge of any kind, or sold, transferred or otherwise disposed of any of its notes or accounts receivable;

(iii) written off as uncollectible any notes or accounts receivable or written down the value of any inventory other than in the ordinary and usual course of business;

(iv) cancelled or waived any claims or rights or sold, transferred, distributed or otherwise disposed of any assets, except assets in the ordinary and usual course of business;

(v) disposed of or permitted to lapse any rights in, to or for the use of any patent, trademark, trade name or copyright;

(vi) granted any increase in the base compensation or other payment to any director, officer or employee, whether now or hereafter payable or granted (other than increases in compensation in the ordinary course consistent in timing and amount with past practice and/or the employment agreements listed on Schedule 2.08) or granted any severance or termination pay (other than for severance pay in amounts consistent with the Company's established severance pay practices and/or such



employment agreements), or entered into or varied the terms of any employment agreement with any such person;

(vii) made any capital expenditure or commitment in excess of $10,000 for additions to property, plant or equipment, or leased or agreed to lease any assets which, if purchased, would be reflected in the property, plant or equipment accounts;

(viii) made any material change in any method of accounting or keeping its books of account or accounting practices;

(ix) paid any amounts which individually exceeded $10,000 to, or sold or otherwise disposed of any assets valued individually in excess of $10,000 to or entered into any agreement or arrangement with, any Affiliated Person (other than payments of compensation to employees for wages and reimbursement of documented expenses in the ordinary course). For purposes of this Agreement, "Affiliated Person" means any present director, officer, shareholder or employee of the Company and any member of such person's family and any entity in which such person or any member of such person's family has an interest or which is controlled, directly or indirectly, by such person or any member of such person's family;

(x) incurred any obligation or liability, including without limitation any liability for nonperformance or termination of any contract, except liabilities incurred in the ordinary and usual course of the business other than the Real Property Lease (as defined below);

(xi) authorized for issuance, issued, delivered or sold any debt or equity securities, or altered the terms of any outstanding securities issued by it or in any way increased its indebtedness for borrowed money other than draw downs on the Marine Loan; or

(xii) declared, paid or set aside for payment any dividend or other distribution (whether in cash, stock or property or otherwise) in respect of any Company Common Stock, or redeemed, purchased or otherwise acquired any Company Common Stock, any securities convertible into or exchangeable for any Company Common Stock or any options, warrants or other rights to purchase or subscribe to any of the foregoing (and no dividends are or will be owed to any holder of Company Common Stock).

2.09 Litigation and Other Proceedings. Except as set forth on Schedule 2.09, neither the Company or the Shareholder are currently a party to any pending or threatened claim, action, suit, investigation or proceeding, or subject to any order, judgment or decree relating to or affecting the Company or, with respect to the Shareholder, relating to or affecting their shares of Company Common Stock or their positions with the Company.

2.10 Compliance with Laws. The Company has previously conducted and is conducting its business in material compliance with all



material applicable laws, regulations, and requirements of each jurisdiction in which such business is carried on. Schedule 2.10 lists all material licenses, registrations and permits, and applications with respect to the business and operations of the Company. The Company currently has all material governmental approvals, consents, licenses, registrations, and permits necessary to carry on its business as presently conducted and the Company has not received written notice of violation of any material laws or notice of any proposed regulations or changes in the requirement of such approvals, consents, licenses, registrations, or permits which might have a material adverse effect on the Company's business.

2.11 Tax Returns and Audits. Complete and correct copies of all tax returns and all amendments or modifications thereto filed or caused to be filed by the Company for the period beginning January 1, 1991 up to and including the year ended December 31, 1993 have been delivered to buyer. The Company has filed with the appropriate governmental agencies all tax returns required to be filed by it and has paid, or made provision for (or will make provision by accruals through the Closing) the payment of, all taxes of every type and description which have or may become due, and such returns accurately reflect the Company's obligations to pay taxes for the periods covered therein. The accruals and reserves for taxes reflected in the Company Balance Sheet are adequate to pay in full all taxes that have accrued for any period which are not yet due and payable. No examination relating to any tax returns is currently in progress of which the Company has received notice and no waivers of statutes of limitation have been given or requested. For purposes of this agreement, taxes shall mean all taxes, charges, fees, levies or other assessments, including, without limitation, all net income, gross income, gross receipts, sales, use, goods and services, ad valorem, transfer, franchise, profits, license, withholding, payroll, single business, employment, excise, severance, stamp, occupation, property or other taxes, customs, duties, fees, assessments or charges of any kind whatsoever, and any installments with respect thereto, together with any interest and penalties, additions to tax or additional amounts imposed by any taxing authority (domestic or foreign) upon the Company. The federal income tax liabilities of the Company has not been audited by the IRS since 1989.

2.12 Title to Properties.

(a) Schedule 2.12(a) sets forth: a true and complete list of the real property leases ("Real Property Lease") of the Company and all personal property leases to which the Company is a party as lessee as of the date hereof involving an annual lease payment of more than

$10,000, including an identification of the parties, the property, the term of the lease and the rent or lease payments thereunder. The Company owns no real property.

(b) The Company has good and marketable title to all of its properties and assets, real, personal and mixed, including intangibles, free and clear of all mortgages, liens, pledges, charges or encumbrances of any nature whatsoever, and has taken all steps necessary or otherwise required to perfect and protect its rights in



and to its properties and assets, including intangibles. All properties and assets owned and currently used by the Company in the Company's business are in working condition and state of repair that permits the Company to operate its business in a manner consistent with past operations and to the best of the knowledge of the Company and Shareholder, are not in violation of any material applicable laws, including without limitation building and zoning laws, and no written notice of any violation of building or other laws, statutes, ordinances or regulations relating to such business, property or assets has been received. All of the Company's material assets currently used in connection with its business are located as listed in Schedule 2.12(b).

2.13 Contracts and Commitments. Except for (i) orders from customers for immediate delivery of goods in the ordinary course of business; (ii) orders to contract manufacturers for immediate delivery to the Company; (iii) such other agreements with suppliers for build-up of inventory as described in Schedule 2.13, the Company, has no written or oral contracts, commitments, or other agreements or arrangements, including any notes, loan agreements, guarantees, or other evidence of indebtedness of the Company involving an aggregate consideration with a value in excess of $10,000, or any contracts, commitments, or other agreements or arrangements with any Affiliated Person. All of such contracts, commitments, or other agreements or arrangements to which the Company is a party or by which any of its assets or properties are bound or affected are in full force and effect and to the best knowledge of the Company and the Shareholder no event or condition has occurred or exists or is alleged by any of the other parties thereto to have occurred or exist, which constitutes or with lapse of time or giving of notice might constitute a default or basis for acceleration under any such contract, commitment, arrangement or other agreement. The Company has not given any revocable or irrevocable power of attorney to any person, firm or corporation for any purpose whatsoever except as set forth on Schedule 2.13.

2.14 Employee Relations. The Company is not a party to any collective bargaining agreement covering or relating to any of its employees and has not recognized, is not required to recognize and during the past five years has not received a demand for recognition by any collective bargaining representative or experienced any strikes or work stoppages or slowdowns. To the best of their knowledge, the Company is in material compliance with all applicable laws, rules or regulations relating to employment or employment practices, including those relating to wages, hours, collective bargaining and the withholding and payment of taxes and contributions, and the Company is in material compliance with the Occupational Safety and Health Act and applicable Federal Civil Rights laws. There are no controversies pending or, to the best of Shareholder's knowledge, threatened between the Company and any of its employees.

2.15 Employee Benefit Plans.

(a) Definitions. For purposes of this Section 2.15:



(i) Arrangements. The term "Arrangement" means any personnel policy (including, but not limited to, vacation time, holiday pay, bonus programs, moving expense reimbursement programs, and sick leave), salary reduction agreements,

change-in-control agreements, employment agreements, consulting agreements or any other benefit, program, agreement or contract, whether or not written, (1) which currently or since December 31, 1989, is being or has been maintained for employees of the Company or of any Control Group member or (2) to which the Company or any Control Group Member makes or is required to make or since December 31, 1989, made or was required to make, contributions.

(ii) Plan. The term "Plan" includes each employee benefit plan, as defined in Section 3(3) of the Employee Retirement Income Security Act ("ERISA") (other than a Multiemployer Plan and including terminated Plans) (1) which currently or since December 31, 1987 is being or has been maintained for employees of the Company or of any Control Group member or (2) to which the Company or any Control Group member makes or is required to make, or since December 31, 1987 made or was required to make, contributions.

(iii) Multiemployer Plan. The term "Multiemployer Plan" means any employee benefit plan that is a "multiemployer plan" within the meaning of Section 3(37) of ERISA and to which the Company or any Control Group member has or has ever had any obligation to contribute.

(b) Plans Listed.

All Arrangements, Plans and Multiemployer Plans are set forth on Schedule 2.15.

(c) Operations of Plans.

(i) Each Arrangement and each Plan has been administered in all material respects in compliance with its terms and with all filing, reporting, disclosure and other requirements of all applicable statutes (including but not limited to ERISA, the Code and the Consolidated Omnibus Budget Reconciliation Act of 1986), regulations and interpretations thereunder.

(ii) All oral or written communications with respect to each Arrangement and each Plan currently and in the past reflect and have reflected in all material respects the documents and operations of the Arrangement or Plan and no person has or had any liability by reason of any such communication or any failure to communicate with respect to any Arrangement or Plan.

(iii) Neither the Company nor any other member of the Control Group, nor any of their respective employees or directors, nor any fiduciary, has engaged in any transaction, including the execution and delivery of this Agreement and other agreements, instruments and documents for which execution and



delivery by the Company is contemplated herein, in violation of Section 406(a) or (b) of ERISA or which is a "prohibited transaction" (as defined in Section 4975(c)(1) of the Code) for which no exemption exists under Section 408(b) of ERISA or Section 4975(d) of the Code or for which no administrative exemption has been granted under Section 408(a) of ERISA.

(iv) Each Qualified Plan (together with its related funding instrument) is qualified and tax exempt under Sections 401 and 501 of the Code, except none of the Qualified Plans has yet been amended to comply with applicable requirements of the Code, as amended by the Tax Reform Act of 1986, the Omnibus Budget Reconciliation Act of 1986 and subsequent legislation.

(v) No matter is pending relating to any Arrangement or Plan before any court or governmental agency.

(vi) Every fiduciary and official of each Plan is bonded to the extent required by Section 412 of ERISA and no civil or criminal action with respect to any Arrangement or Plan, pursuant

to any federal or state law, has been brought, is pending or is threatened, against the Company, any subsidiary or affiliate thereof, any officer, director or employee thereof or any fiduciary of any Plan.

(vii) No Plan fiduciary or any other person has, or has had, any liability to any participant or beneficiary under any Plan or Arrangement or to any other person under any provisions of ERISA or any other applicable law by reason of any action or failure to act in connection with any Plan or Arrangement, including, but not limited to, any liability by any reason of any payment of, or failure to pay, benefits or any other amounts or by reason of any credit or failure to give credit for any benefits or rights, except for benefits payable in the normal operation of the Plan or Arrangement.

(viii) There are no Plans or Arrangements to which the Company, or any other member of the Control Group is a party or by which any of them is bound and under which, as a result of this Agreement or any other particular transaction, any director, officer, employee or other agent of the Company or any other member of the Control Group or any other party claiming through such a person shall or may acquire rights with respect to any Plan or Arrangement (including, without limitation, the creation, increase or extension of new or existing rights), become entitled to a distribution or payment with respect to any Plan or Arrangement at a date earlier than if this Agreement had not been signed or such other transaction had not occurred, or otherwise receive or become vested in rights or benefits with respect to any Plan or Arrangement.

(d) Plan Documents and Records.

(i) Complete and correct copies of all current and prior documents as in effect after January 1, 1990, including all



amendments thereto, with respect to each Arrangement and Plan, have been heretofore delivered to Newell. These documents include, but are not limited to, the following: Plan and Arrangement documents, trust agreements, insurance contracts, annuity contracts, summary plan descriptions, filings with governmental agencies, investment manager and investment adviser contracts, actuarial reports, audit reports, financial statements, premium reports to PBGC (Form PBGC1), Internal Revenue Service determination letters, Internal Revenue Service recognitions of exemption, annual reports (Form 5500) for the most recent three plan years ending prior to the date hereof and any other general explanation or communication distributed or otherwise provided to participants in such Arrangement or Plan which describes all or any relevant aspect of each Arrangement or Plan.

(ii) At the Effective Time, the participant or beneficiary records with respect to each Arrangement and Plan shall be in custody of the persons listed on Schedule 2.15. All such records accurately set forth the history of each participant and beneficiary in connection with each Arrangement and Plan and accurately state the benefits earned and owed to each such person as of the date hereof.

(e) Finances.

(i) Neither the Company nor any member of its Control Group currently maintains or has ever maintained a Title IV Plan.

(ii) All contributions payable to each Qualified Plan for all benefits earned and other liabilities accrued through December 31, 1992, determined in accordance with the terms and conditions of such Qualified Plan, ERISA and the Code, have been paid or otherwise provided for, and to the extent unpaid are reflected in the Company Balance Sheet.

(iii) Set forth on Schedule 2.15 is (1) the amount of the liability for minimum contributions for the last three plan years to any Qualified Plan, (2) the approximate amount of the minimum contribution to any Qualified Plan for the plan year during which the Closing Date is to occur, and (3) the annual cost of providing coverage under any Plan that is a welfare plan as defined in Section 3(1) of ERISA to all former employees of the Company or any other member of the Control Group and all dependents of a former employee.

(f) Multiemployer Plans.

Neither the Company nor any member of its Control Group is currently, or has ever been, obligated to contribute to any Multiemployer Plan.

2.16 Intellectual Property. Schedule 2.16 sets forth a correct and complete list of all letters patent, patent applications, inventions upon which patent applications have not yet been filed,



trade names, trademarks, service marks, trademark registrations and applications, copyrights and copyright registrations and applications, and all other rights with respect to intellectual property, both domestic and foreign, presently owned, possessed, used or held by the Company (the "Intellectual Property"), and the Company owns the entire right, title and interest in and to the same. No representation is made as to the validity or enforceability of any of the above. Schedule 2.16 also sets forth a correct and complete list of all licenses granted to the Company by others and to others by the Company. To the best of the knowledge of the Company and Shareholder, neither the conduct of the Company's business nor any of the products it sells or services it provides infringes upon the rights of any other person and the conduct of any other person's business or any of the products it sells or services it provides does not infringe upon any of the Company's rights and the Company has no liability for and has not given any indemnification for patent, trademark or copyright infringement as to any products manufactured, used or sold by it or with respect to services rendered by it except as shown in Schedule 2.16.

2.17 Conflicting Interests. The Shareholder has no direct or indirect interest in any competitor, customer, supplier or other person, firm or corporation which has any current business relationship or material transaction with the Company or which is a party to, or has property which is the subject of, any business arrangement with the Company.

2.18 Environmental Matters.

(a) The Company has complied with applicable federal, state and local environmental laws and regulations, orders and directives of any and all Governmental Agency or Agencies, the noncompliance with which could have a material adverse effect on the Company.

(b) The Company has not been charged with, nor has the Company received any written notice of, and no officer of the Company has received any oral notice, that the Company is under investigation for the failure to comply with any and all statutes, laws, ordinances, rules, regulations, orders and directives of any and all Governmental Agency or Agencies (as hereinafter defined) with respect to the use, generation, storage, transportation, handling, abandoning, dumping, releasing, leaching, escaping, burying, disposing, discharging or emitting of any particles, materials, substances, or constituents or components thereof that have been or may be determined by each and every Governmental Agency or Agencies to be of a hazardous, toxic, pollutive, or ecologically or environmentally damaging nature ("Regulated Materials" as hereinafter defined), pertaining to the business of the Company, the assets and properties owned or leased by the Company, or the operation, conduct or occupancy thereof.

(c) For the purpose of this Agreement, the phrase "Regulated Materials" shall include, but shall not be limited to, those materials

or substances defined as "hazardous substances," "hazardous materials," "hazardous waste," "toxic substances," "toxic pollutants," "petroleum products" or other similar designations under the



Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Sect. 9601, et seq. ("CERCLA"), the Resource Conservation and Recovery Act, as amended, 42 U.S.C. Sect. 6901, et seq. ("RCRA"), the Hazardous Materials Transportation Act, 49 U.S.C. Sect. 1801, et seq., or regulations promulgated pursuant thereto. Also for purposes of this Agreement, the phrase "Governmental Agency or Agencies" means any federal, state, local or foreign government, political subdivision, court, agency or other entity, body, organization or group exercising any executive, legislative, judicial, quasi-judicial, regulatory or administrative function of government.

(d) The Company has not received from any governmental agencies or private party any written (i) complaint or notice asserting potential liability, (ii) since January 1, 1990, requests for information, or (iii) request to investigate or clean up any site under the Clean Water Act, CERCLA, or under state or foreign law comparable thereto.

(e) Each hazardous waste transporter and disposal facility that has transported or disposed of any such Regulated Materials on behalf of the Company, if any, is listed in Schedule 2.18. All manifests in the possession of the Company pertaining to the transportation of the Regulated Materials of the Company have been made available to Newell within a reasonable period of time prior to the Closing. Information regarding the disposal of solid waste at various landfills has been provided to Newell. The manifests and information regarding disposal practices are included in Schedule 2.18.

(f) There has not been a release, as defined by CERCLA, of Regulated Materials at or from any facility or Real Property subject to this transaction which could have a material adverse effect on the Company.

(g) There are no underground storage tanks, as defined by RCRA and applicable state law, located on any real property now owned or any space leased by the Company, and the Company is not a transfer, storage or disposal (TSD) facility requiring a Part B RCRA permit.

(h) The Company has made available to Newell all known written reports issued to Governmental Agencies by or on behalf of the Company, or by any of its representatives or consultants, with respect to environmental matters. All environmental audits, assessments and studies within the possession of the Company regarding real property now owned or leased by the Company are disclosed in Schedule 2.18.

(i) Each of the foregoing representations and warranties contained in this Section 2.18 shall be in addition to, and not in lieu of, any other representation or warranty contained in this Agreement.

2.19 Absence of Undisclosed Liabilities. To the best of the knowledge of the Company and Shareholder, the Company does not have any liabilities or obligations due or to become due, whether absolute, accrued, contingent or otherwise, and there are no claims or causes of action that may be asserted against the Company which arise with



respect to or relate to any period or periods on or prior to the date hereof, except as, and to the extent, set forth or specifically reserved against on the Company Balance Sheet, except for liabilities incurred since July 31, 1995 in the ordinary course of business consistent with past practice and except under items either listed in the schedules to this Agreement or not required to be listed because of their relative size and/or consequence.

2.20 Insurance. The Company has in full force and effect the

policies of insurance listed in the amounts described in Schedule 2.20 hereto, and all premiums due thereon have been paid or accrued. The Company does not have any interest in any other insurance policy. Schedule 2.20 accurately reflects the insurance claims experience of the Company for the past three years.

2.21 Customers and Suppliers. Schedule 2.21 contains a list of the Company's 20 largest customers and suppliers (measured by dollar volume of purchases and net sales, as applicable) during 1993, 1994 and the first six months of 1995, and the percentage of the Company's business which each such customer represented. The Company is not presently engaged in any disputes with such customers or suppliers other than in the ordinary course of business. No customer or supplier has notified the Company that it is terminating or not renewing its arrangements with the Company which would in the aggregate have a material adverse effect on the Company. At no time during the two years prior to the date hereof have the sales, manufacturing or other business operations of the Company been materially affected by shortages or availability of products or raw materials necessary to sell or manufacture the products presently sold by the Company, other than in the ordinary course of business.

2.22 Product Quality. The Company has no standard written warranties, extended by the Company with respect to its products. No claims have been made against the Company for (a) credit or refunds with respect to products returned or returnable by customers, except in the normal course of business, or (b) personal injury arising out of events occurring on or prior to the date hereof based upon defective products, any violation of express or implied product warranties, or similar claims with respect to products delivered by the Company to customers or distributors on or prior to the date hereof.

2.23 Brokers and Finders. Except as described in Schedule 2.23, neither the Company or Shareholder has employed any broker or finder or incurred any liability for any brokerage fees, commissions or finders' fees, and no broker or finder has acted directly or indirectly for the Company or the Shareholder in connection with this Agreement, the Plan of Merger or the transactions contemplated hereby and thereby.

2.24 Disclosure. No representation, warranty or other statement by the Company or the Shareholder herein or in the schedules hereto, or in any other document entered into in connection with this Agreement, contains or will contain an untrue statement of material



fact, or omits or will omit to state a material fact necessary to make the statements contained herein or therein not misleading.

2.25 Securities Act Compliance. (a) The Newell Common Stock deliverable to the Shareholder under this Agreement will be acquired by the Shareholder for his own account for investment and not with a view to the distribution thereof, and no part or all of said Common Stock nor any interest therein, will be sold or otherwise disposed of by the Shareholder except in complaince with the Securities Act of 1933, as amended, and the rules and regulations of the Securities and Exchange Commission thereunder.

(b) Newell may affix the following legend to the Common Stock deliverable to Shareholder under this Agreement:

> "The shares represented by this certificate have not been registered under the Securities Act of 1933, and thus may not be transferred without registration under the Securities Act of 1933 or other compliance with the requirements of said Act and the rules and regulations thereunder. Such compliance must be demonstrated to the reasonable satisfaction of counsel for the
>
> Company and Newell shall not be required to transfer (or instruct its transfer agent to transfer) any of the shares of Common Stock unless and until the Shareholder have

complied with the provisions of the Securities Act of 1933 and the rules and regulations thereunder.

(c) The Shareholder has the full power and authority, without the consent of, or any required consultation with, any other person, to enter into this Agreement and is not acting on behalf of any other person or entity.

(d) The Shareholder has received copies of Rule 144, 145 and Regulation D (as adopted by the Securities and Exchange Commission) issued under the Securities Act of 1933, and the following information regarding Newell: 1994 Annual Report to Shareholder; Interim Report to Shareholder for the six months ended June 30, 1995; 1994 Form 10-K; and Proxy Statement dated March 30, 1995 relating to the Annual Meeting of Stockholders.

(e) The Shareholder believes that he has the knowledge and experience in financial and business matters necessary for an evaluation of the information referred to in (d) above and for making an informed decision on his investment in Newell Common Stock.

(f) The Shareholder has met personally with representatives of Newell and has been provided with the opportunity to ask questions of such persons concerning the business and affairs of Newell and verify the accuracy of the information contained in the documents listed in (d) above.

(g) The Shareholder has the resources to bear the economic risks incident to holding the Newell Common Stock received pursuant to



this Agreement for the periods necessary for compliance with the Securities Act of 1933.

2.26 Current Plans and Intentions. There is no current plan or intention by the Shareholder to sell, exchange, or otherwise dispose of a number of shares of Newell Common Stock received in the Merger that would reduce the Shareholder's ownership of Newell Common Stock to a number of shares having a value, as of the date of the Merger, of less than 50% of the value of all of the formerly outstanding Company Common Stock as of the same date. For this purpose, shares of Company Common Stock exchanged for cash or other property, or exchanged for cash in lieu of fractional shares of Newell Common Stock shall be treated as outstanding Company Common Stock on the date of the Merger. Moreover, shares of Company Common Stock and shares of Newell Common Stock held by Shareholder and otherwise sold, redeemed or disposed of, prior or subsequent to the Merger, will be considered in making this representation.

## ARTICLE III
## Representations and Warranties of Newell and Acquisition

Newell and Acquisition jointly and severally represent and warrant to the Company and the Shareholder that:

3.01 Organization and Authority. Each of Newell and Acquisition is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is organized, with power to own its property and to carry on its business as now being conducted, and each is qualified in each other jurisdiction in which qualification is required for it to hold the property or conduct the business it holds or conducts therein, except to the extent that all failures of both such entities so to qualify in the aggregate would not have a material adverse effect on the financial condition, business or operations of Newell and its subsidiaries taken as a whole.

3.02 Capitalization. The authorized capital stock of Newell consists of (a) 300,000,000 shares of Newell Common Stock, $1.00 par value, of which approximately 159,000,000 shares are issued and outstanding, and (b) 10,000,000 shares of Preferred Stock consisting of (i) 10,000 shares without par value, of which no shares are issued and are outstanding and (ii) 9,990,000 shares of Preferred Stock,

$1.00 par value, of which no shares are issued or outstanding. The authorized capitalization of Acquisition consists of 1,000 shares of Common Stock, par value $1.00 per share, of which all 1,000 shares are issued and outstanding and owned directly by Newell. The shares to be issued to Shareholder at Closing will be fully paid and non-assessable and have been duly authorized for issuance to Shareholder.

3.03 Authorization. Newell and Acquisition have full power and authority to enter into this Agreement and the Plan of Merger and to carry out their obligations hereunder and thereunder. The transactions contemplated hereby and thereby have been duly authorized by their respective Boards of Directors and by Newell as the sole shareholder of Acquisition, and no other corporate proceedings on the



part of Newell or Acquisition are necessary to authorize this Agreement, the Plan of Merger and the transactions contemplated hereby and thereby. This Agreement and the Plan of Merger are valid and binding obligations of Newell and Acquisition enforceable against Newell and Acquisition in accordance with their terms, except as enforcement may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors rights generally and by principles of equity. Neither the execution and delivery of this Agreement nor the Plan of Merger by Newell and Acquisition, nor the consummation of the transactions contemplated hereby and thereby, nor compliance by Newell and Acquisition with any of the provisions hereof or thereof will (i) violate, conflict with, or result in a breach of any provisions of, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under, or result in the termination of, or accelerate the performance required by, or result in a right of termination or acceleration, or result in the creation of any lien, security interest, charge or encumbrance upon any of the properties or assets of Newell, under any of the terms, conditions or provisions of (x) the charter or by-laws of Newell or Acquisition or (y) any note, bond, mortgage, indenture, deed of trust, license, lease, agreement or other instrument or obligation to which Newell or Acquisition is a party, or by which either of them is, or any of their properties or assets may be subject, or (ii) violate any judgment, ruling, order, writ, injunction, decree, statute, rule or regulation applicable to Newell or any of its properties or assets. Other than in connection with or in compliance with the provisions of the Wisconsin Business Corporation Law and the General Corporation Law of the State of Delaware, the Securities Act, the securities laws of the various states, no notice to, filing with, or authorization, consent or approval of, any public body or authority is necessary for the consummation by Newell or Acquisition of the transactions contemplated by this Agreement and the Plan of Merger.

3.04 Brokers and Finders. Neither Newell nor any of its subsidiaries, nor any of their officers, directors or employees has employed any broker or finder or incurred any liability for any financial advisory fees, brokerage fees, commission or finders' fees, and no broker or finder has acted directly or indirectly for Newell or any of its subsidiaries in connection with this Agreement or the Plan of Merger or the transactions contemplated hereby and thereby.

3.05 Disclosure. No representation, warranty or other statement by Newell or Acquisition herein or in any other document made in connection with this Agreement, contains or will contain an untrue statement of a material fact, or omits or will omit to state a material fact necessary to make the statements contained herein or therein not misleading.

3.06 Current Plans and Intentions. It is the current plan and intention of Newell that:

(i) Newell will not reacquire any of the Newell Common Stock issued in the Merger to liquidate the Company with or into any other corporation (except as contemplated by the Plan of Merger), sell or otherwise dispose of the Company's stock (except

for transfers of stock to corporations controlled by Newell), or cause the Company to sell or otherwise dispose of any of its assets or any of the assets acquired from Acquisition (except for sales and dispositions made in the ordinary course of business or sales of transfers of asets to a corporation controlled by the Company). Newell intends that the Company, after the consummation of the Merger, continue its business. Newell does not, directly or indirectly, own nor has it owned, directly or indirectly, during the past five years any shares of stock of the Company;

(ii) Immediately following the Merger, the Company will hold at least 90% of the fair market value of its net assets and at least 70% of the fair market value of its gross assets held immediately prior to the Merger. For purposes of this representation, amounts used by the Company or Acquisition to pay reorganization expenses, and all redemptions and distributions (except for regular, normal dividends) made by the Company will be included as assets of the Company or Acquisition, respectively, immediately prior to the Merger;

(iii) Immediately prior to the Merger, Newell will be in control of Acquisition within the meaning of Section 368(c) of the Code;

(iv) Newell will not cause the Company to issue additional shares of the Company's stock that would result in Newell losing control of the Company within the meaning of Section 368(c) of the Code;

(v) Acquisition will have no liabilities assumed by the Company, and will not transfer to the Company any assets subject to liabilities, in the Merger;

(vi) Immediately following the Merger, the Company will continue its historic business or use a significant portion of its historic business assets in a business within the meaning of Treas. Reg. Sect. 1.368-1(d);

(vii) Newell and Acquisition will pay their respective expenses, if any, incurred in connection with the transaction;

(viii) The payment of cash in lieu of fractional shares of Newell Common Stock is solely for the purpose of avoiding the expense and inconvenience to Newell of issuing fractional shares and does not represent separately bargained-for consideration. The total cash consideration that will be paid in the Merger to the Shareholder instead of issuing fractional shares of Newell Common Stock will not exceed one percent of the total consideration that will be issued in the Merger to the Shareholder in exchange for their shares of Company Common Stock. The fractional share interests of each Shareholder will be aggregated, and no Shareholder will receive cash in lieu of fractional shares in an amount equal to or greater than the value of one full share of Newell Common Stock;



(ix) None of the compensation received by any shareholder employees of the Company will be separate consideration for, or allocable to, any of their shares of Company Common Stock; none of the shares of Newell Common Stock received by any shareholder-employees will be separate consideration for, or allocable to, any employment agreement; and the compensation paid to any shareholder-employees will be for services actually rendered and will be commensurate with amounts paid to third parties bargaining at arm's-length for similar services.

3.07 Investment Company Status. Neither Newell nor Acquisition is an investment company as defined in Section 368(a)(2)(F)(iii) and (iv) of the Code.

3.08 No Material Change. There has been no material adverse

change in the business, financial condition or prospects of Newell since its Form 10Q for its most recent quarter.

## ARTICLE IV
## Conduct of Business Prior to the Effective Time

4.01 Conduct of the Company's Business Prior to the Effective Time. During the period from the date of this Agreement to the Effective Time, the Company shall conduct its operations according to its ordinary and usual course of business consistent with past and current practices and use its best efforts to maintain and preserve its business organization, prospects, employees and advantageous business relationships and shall not, without the prior written consent of the Chief Executive Officer, the President or a Vice President of Newell, take any action or permit to occur any event set forth in Section 2.08.

4.02 Renegotiation of Building Lease.

Notwithstanding the provisions of Section 4.01, the Shareholder shall, prior to the Effective Time, amend the Real Property Lease to provide for termination no later than December 31, 1995.

4.03 The Employment Agreements of Carl Philips and David Schwartz will have terminated at no cost to the Company other than as set forth in Section 5.06 below or as otherwise accrued on the Company Balance Sheet.

## ARTICLE V
## Additional Agreements

5.01 Access and Information. The Company shall afford to Newell and to its accountants, counsel and other representatives, full access during regular business hours and upon reasonable notice, during the period prior to the Effective Time, to all of the properties, books, contracts, commitments and records of the Company, and, during such period, the Company shall furnish promptly to Newell all other



information concerning the business, properties and personnel of the Company as Newell may reasonably request. The Confidentiality Agreement previously executed by Newell and the Company remains in full force and effect.

5.02 Miscellaneous Agreements and Consents. Subject to the terms and conditions herein provided, each of the parties hereto shall use all reasonable efforts to take, or cause to be taken, all action, and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by this Agreement and the Plan of Merger, including, without limitation, using reasonable efforts to satisfy the conditions contained in Article VI hereof. Neither Newell or the Company is aware of any approvals required from any governmental bodies. The Company and Newell will use their best efforts to obtain consents of all third parties necessary in the opinion of both parties, or desirable for the consummation of the transactions contemplated by this Agreement and the Plan of Merger. In case at any time after the Effective Time any further action is necessary or desirable to carry out the purposes of this Agreement and the Plan of Merger, the proper officers and/or directors of the Company, Newell or Acquisition, as the case may be, shall take all such necessary action. The Shareholder shall vote in favor of the approval and adoption of the Plan of Merger all shares of Company Common Stock which he is then entitled to vote. Prior to the earlier of the Effective Time or the earlier termination of this Agreement pursuant to Article VII hereof, Shareholder shall except as set forth on Schedule 5.03, (i) continue to own, of record and beneficially, all right, title and interest to the shares of Company Common Stock owned by him as of the date hereof, free and clear of all security

interests, liens, claims, pledges, escrows, options, warrants, rights of purchase, equities, charges, encumbrances, proxies, voting trusts and restrictions on voting rights whatsoever, and (ii) not enter into any contract, agreement, understanding or restriction of any kind relating to any shares of Company Common Stock. During the period from the date of this Agreement to the Effective Time, or such earlier termination of the Agreement pursuant to Article 7 hereof, the Shareholder shall not and the Company shall not and shall cause its directors, officers, agents and employees not to solicit, authorize the solicitation of or enter into any discussion (or continue any discussion) with any third party (including the provision of any information to a third party regarding the Company) concerning any offer or possible offer from any such third party (i) to purchase any Company Common Stock, any option or warrant to purchase Company Common Stock, or any securities convertible into Company Common Stock or any other security of the Company, (ii) to purchase, lease or otherwise acquire all or a substantial portion of the assets of the Company relating to the Business or (iii) to merge, consolidate or otherwise combine with the Company.

5.03 Interim Financial Statements. During the period prior to the Effective Time, the Company shall deliver to Newell monthly by the 25th day of the following month, an unaudited balance sheet as at the end of such month and the unaudited statements of income and



stockholders' equity of the Company for the period then ended (the "Interim Financial Statements"). The Interim Financial Statements shall be prepared on the same basis as set forth in Section 2.05.

5.04 Certain Notifications. At all times until the Effective Time, each party shall promptly notify the other in writing of the occurrence of any event which will or may result in the failure to satisfy any of the conditions specified in Article VI.

5.05 Press Releases. The parties agree that, except in the event of an emergency, no press release or other public announcement with respect to this Agreement or the transactions contemplated hereby shall be made without the prior consultation of all parties hereto.

5.06 Transactional Costs. Each party hereto shall pay or be responsible for its or his expenses in connection with the transactions contemplated by this Agreement except that the expenses listed on Schedule 5.06 shall be paid by Newell by wire transfer to the account of Spitzer & Feldman P.C. at Closing.

5.07 Confidentiality and Non-Use. If for any reason the transactions contemplated by this Agreement are not completed, then Newell and Acquisition agree to return to the Company (and not thereafter use in their own businesses or otherwise or disclose the contents thereof) all documents, data and other materials respecting the Company's business furnished to or obtained by either Acquisition or Newell or its representatives pursuant to the access granted pursuant to Section 5.01 or previous thereto.

5.08 Demand Registration. Newell agrees that the Shareholder shall have the registration rights described in this Section with respect to Newell Common Stock issued to the Shareholder pursuant to this Agreement (together with any securities or property issued in exchange for or in replacement or pursuant to a reclassification or recapitalization of such securities, the "Registrable Securities"):

(a) Promptly after the Closing (but in no event more than ten business days), Newell shall file a "shelf" registration statement on Form S-3 (or any successor form thereto or other appropriate form) under the Act covering all of the Shareholder's Registrable Securities. Newell will use its best efforts to have such registration statement declared effective by the Securities and Exchange Commission at the earliest practicable time and to maintain the effectiveness thereof at least through the second anniversary of the date of Closing.

(b) In connection with any registration of Registrable

Securities under the Act pursuant to this Agreement, Newell will furnish Shareholder whose Registrable Securities are registered thereunder with a copy of the registration statement and all amendments thereto and will supply Shareholder with copies of any prospectus included therein (including a preliminary prospectus and all amendments are supplements thereto), in such quantities as may be reasonably necessary for the purposes of the proposed sale or distribution covered by such registration.



(c) All expenses, disbursements, and fees incurred by Newell in connection with carrying out its obligations under this Section 5.08 shall be borne by Newell, other than the expense of Shareholder's consultant, if any.

(d) It shall be a condition of Shareholder's rights hereunder to have Registrable Securities owned by such Shareholder registered that:

(i) such Shareholder shall cooperate with Newell by supplying information and executing documents relating to Shareholder or the securities of Newell owned by Shareholder in connection with such registration;

(ii) Shareholder shall enter into any undertakings and take such other action relating to the conduct of the proposed offering which Newell or any underwriter may reasonably request as being necessary to insure compliance with federal and state securities laws and the rules or other requirements of the National Association of Securities Dealers Inc. to effectuate the offering; and

(iii) Shareholder agrees to indemnify and hold harmless Newell, each of its directors, each of its officers who has signed the registration statement, any underwriter (as defined in the Act), and each person, if any, who controls Newell or such underwriter within the meaning of the Act, against such losses, claims, damages or liabilities (including reimbursement for legal and other expenses) to which Newell or any such director, officer, underwriter or controlling person may become subject under the Act or otherwise, in such manner as is customary for registrations of the type then proposed and, in any event, equivalent in scope to indemnities given by Newell in connection with such registration, but only with respect to information furnished by Shareholder in writing in connection with such registration (and provided further that the foregoing indemnities shall be limited to the aggregate amount of proceeds received by Shareholder pursuant to the sale of shares in such registration).

(e) In the event of any registration under the Act of any Registrable Securities pursuant to this Section 5.08, Newell hereby agrees to indemnify and hold harmless Shareholder disposing of such Registrable Securities against such losses, claims, damages or liabilities (including reimbursement for legal and other expenses) to which such Shareholder may become subject under the Act or otherwise, in such manner as is customary for registrations of the type then proposed, but not with respect to information furnished by Shareholder in writing in connection with such registration.

(f) Listing. The shares of Common Stock of Newell to be issued in the Plan of Merger will be approved concurrent with the effectiveness of the Registration Statement for listing on the New York Stock Exchange and the Chicago Stock Exchange subject to notice of issuance.



## ARTICLE VI
## Conditions

6.01 Conditions to Each Party's Obligations to Consummate the Merger. The respective obligations of each party to consummate the Merger shall be subject to the fulfillment at or prior to the

Effective Time of the following conditions:

(a) Authorization. The Plan of Merger shall have been approved and adopted by the requisite vote of the holders of the outstanding shares of the Company's Common Stock.

(b) Proceedings. At the Effective Time there shall be no action or proceeding initiated by any governmental agency or any third party pending which seeks to restrain, prohibit or invalidate any material transaction contemplated by this Agreement or the Plan of Merger or to recover substantial damages or other substantial relief with respect thereto and no injunction or restraining order shall have been issued by any court restraining, prohibiting or invalidating any such material transaction.

6.02 Conditions to Obligations of the Company to Consummate the Merger. The obligations of the Company and the Shareholder to consummate the Merger shall be subject to the fulfillment (or waiver by the Company and the Shareholder) at or prior to the Effective Time of the following conditions:

(a) Representations and Warranties. The representations and warranties of Newell and Acquisition set forth in Article III hereof shall be true and correct as of the date of this Agreement and as of the Effective Time as though made on and as of the Effective Time, except as otherwise contemplated by this Agreement, and the Company shall have received a certificate signed by the Chief Executive Officer, the President or a Vice President of Newell to that effect.

(b) Performance of Obligations. Newell shall have performed all obligations required to be performed by it under this Agreement prior to the Effective Time, and the Company shall have received a certificate signed by the Chairman of the Board, the President or a Vice President of Newell to that effect.

(c) Intentionally omitted.

(d) Opinion of Associate General Counsel. Richard H. Wolff, Associate General Counsel for Newell, shall have furnished his opinion to the Company as at the Effective Time in the form and to the effect set forth in Exhibit C hereto.

(e) Consulting Agreement. The Company shall have executed a Consulting Agreement with Carl Philips in substantially the form of Exhibit E hereto.

(f) Lease Amendment. The amendment to the Real Property Lease described in section 4.02 shall in effective upon Closing.



(g) Newell Obligations. At Closing, Newell shall (i) pay off the loans listed on Schedule 6.02(g) as well as the outstanding balance of the Marine Loan, (ii) provide to Marine Midland Bank substitute collateral to have Carl Philips released from his guarantees of outstanding letters of credit and any future letters of credit, and (iii) wire transfer the Transactional Costs to Spitzer & Feldman's trust account as set forth in Section 5.06 above.

6.03 Conditions to Obligations of Newell and Acquisition to Consummate the Merger. The obligations of Newell and Acquisition to consummate the Merger shall be subject to the fulfillment (or waiver by Newell and Acquisition) at or prior to the Effective Time of the following conditions:

(a) Representations and Warranties. The representations and warranties of the Company and the Shareholder set forth in Article II hereof shall be true and correct as of the date of this Agreement and as of the Effective Time as though made on and as of the Effective Time, except as otherwise contemplated by this Agreement, and Newell shall have received a certificate signed by the Shareholder and by the President of the Company to that effect.

(b) Performance of Obligations. The Company and the Shareholder

shall have performed all obligations required to be performed by it or them under this Agreement prior to the Effective Time, and Newell shall have received a certificate signed by the Shareholder and by the President of the Company to that effect.

(c) Permits, Authorizations, Etc. The Company shall have obtained any and all consents or waivers from other parties to contracts other than the Marine Loan material to the Company's business for the lawful consummation of the Merger.

(d) Intentionally omitted.

(e) Financial Statements. Newell and Acquisition shall have received the Interim Financial Statements.

(f) Opinion of Counsel. Spitzer & Feldman, P.C., counsel for the Company, shall have furnished to Newell its opinion as of the Closing in the form and to the effect set forth in Exhibit D hereto.

(g) Escrow Agreement The Shareholder shall have entered into an escrow agreement in form of Exhibit E (the "Escrow Agreement").

(h) Consulting Agreement. Carl Philips shall have executed Consulting Agreement with the Company in substantially the form of Exhibit C hereto.

(i) Lease Amendment. The amendment to the Real Property Lease described in section 4.02 shall be in effect upon Closing.

ARTICLE VII
Termination, Amendment



7.01 Termination.

(a) This Agreement may be terminated at any time prior to the Effective Time, whether before or after approval by the Shareholder

(i) by mutual consent of the Company and Newell;

(ii) by either the Company or Newell if the Merger has not taken place by September 30, 1995 unless the failure of the Merger to take place by that date is the result of a breach of any provision of this Agreement by the party seeking to terminate;

(iii) by Newell if any of the conditions contained in Sections 6.01 and 6.03 have not been satisfied prior to the Closing;

(iv) by the Company if any of the conditions contained in Sections 6.01 or 6.02 have not been satisfied prior to the Closing.

(b) In the event this Agreement is terminated pursuant to Section 7.01, such termination shall be without any liability or further obligation of any party to another and the obligations and agreements in this Agreement shall terminate and have no further effect except for liabilities and obligations based on any intentional failure to perform or comply with any covenant or agreement herein or for any intentional misrepresentation or material breach of any warranty herein (and such termination shall not constitute a waiver of any claim with respect thereto).

7.02 Amendment. Subject to applicable law, this Agreement may be amended, modified or supplemented only by written agreement of the parties hereto duly authorized by the respective Board of Directors at any time prior to the Effective Time; provided, however, that, after the approval and adoption of the Plan of Merger by the Shareholder, no such amendment, modification or supplement shall change the amount or the form of the consideration to be delivered to the Shareholder as contemplated by this Agreement and the Plan of Merger.

## ARTICLE VIII
## Survival of Representations and Warranties

The representations, warranties, covenants and agreements of the parties to this Agreement shall survive the execution and delivery of this Agreement and the consummation of the Merger for a period of one year notwithstanding any investigations made by any party hereto or, except any actual knowledge which any party may have regarding a breach of a representation or warranty by any other party; provided, however, that any covenant, agreement, representation or warranty that becomes the subject of a claim under the Escrow Agreement shall survive, as to such claim, until resolution of such claim.



## ARTICLE IX
## Limitation of Liability

The parties hereto understand and agree that the Escrow Agreement and the procedures relating thereto as set forth in the Escrow Agreement have been established as the sole means and method of providing a remedy to Newell for breach of any of the representations, warranties, covenants and agreements of the Company or the Shareholder hereunder after the Merger has become effective. Notwithstanding anything contained in this Agreement to the contrary, Newell agrees that, except to the extent provision has been made therefor under the Escrow Agreement, the Company and the Shareholder shall have no liability with respect to any claim, cause of action, obligation of indemnity, breach of representation or warranty or other matter of any nature or character whatsoever arising under or in connection with this Agreement after the Merger has become effective. Newell agrees that after the Merger has become effective its exclusive remedy for any such claim, cause of action, obligation of indemnity, breach of representation or warranty, or other matter shall be its rights against the Escrow Property (as defined in the Escrow Agreement).

## ARTICLE X
## General Provisions

10.01 Notices. All notices and other communications hereunder shall be in writing and shall be deemed given (i) when delivered personally; (ii) the second business day after being deposited in the United States mail registered or certified (return receipt requested); (iii) the first business day after being deposited with Federal Express or any other recognized national overnight courier service or (iv) on the business day on which it is sent and received by facsimile, in each case to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

(a) If to Newell or Acquisition:

Newell Co.
One Millington Road
Post Office Box 117
Beloit, Wisconsin 53511
Facsimile: (608) 365-8290

Attention: William T. Alldredge

With copies to:

Mr. Richard H. Wolff
Associate General Counsel
Newell Co.
4000 Auburn Street
Rockford, Illinois 61101
Facsimile: (815) 969-6106

(b) If to the Company or the Shareholder:

Carl Philips
1 W. 64 Street, Apt. 3B
New York, New York 10023
Facsimile: 212/362-5599

with copies to:
Kenneth Gliedman
SPITZER & FELDMAN, P.C.
405 Park Avenue
New York, New York 10022
Facsimile: 212/838-7472

10.02 Miscellaneous. This Agreement (including the exhibits, documents and instruments referred to herein or therein):

(i) constitutes the entire agreement, and supersedes all other prior agreements and understandings, both written and oral, among the parties, or any of them, with respect to the subject matter hereof;

(ii) is not intended to confer upon any other person any rights or remedies hereunder;

(iii) shall not be assigned by operation of law or otherwise; and

(iv) may be executed in two or more counterparts which together shall constitute a single agreement.

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, heirs, next of kin, distributees, executors, administrators and personal representatives.

10.03 Waiver; Remedies. No delay or failure on the part of any party hereto to exercise any right, power, or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party hereto of any right, power, or privilege hereunder operate as a waiver of any other right, power, or privilege hereunder, nor shall any single or partial exercise of any right, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power, or privilege hereunder.

10.04 Severability. If any provision of this Agreement shall be held by any court of competent jurisdiction to be illegal, invalid or unenforceable, such provision shall be construed and enforced as if it had been more narrowly drawn so as not to be illegal, invalid or unenforceable, and such illegality, invalidity or unenforceability shall have no effect upon and shall not impair the enforceability of any other provision of this Agreement.

10.05 Governing Law. This Agreement shall be construed in accordance with the laws of the State of New York (without regard to



principles of conflicts of laws) applicable to contracts made and to be performed within such State.

10.06 Attorney's Fees. If any party to this Agreement must bring an action to enforce its terms, the prevailing party in such action shall be entitled to receive its reasonable out-of-pocket fees and expenses in connection with action from the non-prevailing party or parties.

IN WITNESS WHEREOF, Newell, Acquisition, the Shareholder and the Company have caused this Agreement to be signed by their respective officers thereunto duly authorized and their respective corporate seals to be affixed hereto, and the Shareholder has executed this Agreement, all as of the date first written above.

NEWELL CO.

By: /s/ Richard H. Wolff
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Richard H. Wolff

PHILIPS ACQUISITION CO.

By: /s/ Carl Philips
---
Carl Philips

PHILIPS INDUSTRIES, INC.

By: /s/ Carl Philips
---
Carl Philips

/s/ Carl Philips
---
Carl Philips

EXHIBIT 2.2

ESCROW AGREEMENT

This Escrow Agreement ("Agreement") is made and entered into as of August 25, 1995, by and between Newell Co., a Delaware corporation ("Newell"), and Carl Philips, (the "Shareholder") and Firstar Trust Company, (the "Escrow Agent").

WHEREAS, Newell, Philips Acquisition Co., a New York corporation ("Acquisition"), Philips Industries, Inc., a New York corporation ("Company"), and the Shareholder have entered into an Agreement and Plan of Reorganization dated August 25, 1995 (the "Reorganization Agreement"), providing for the merger of Acquisition with and into Company (the "Merger") and the conversion of the issued and outstanding shares of common stock of Company into shares of common stock of Newell (the "Newell Common Stock") pursuant to the Plan of Merger dated August 25, 1995 between Acquisition and Company (the "Plan of Merger");

WHEREAS, Newell has relied upon the representations and warranties of Company and the Shareholder contained in the Reorganization Agreement and in agreements, schedules, exhibits, certificates and other documents delivered pursuant to the Reorganization Agreement (collectively, the "Related Documents");

WHEREAS, one of the conditions precedent to the obligation of Newell to consummate the Merger is the execution and delivery of this Agreement, pursuant to which the Shareholders agree to indemnify and hold Newell harmless against and in respect of certain matters more particularly described herein; and this Agreement is being made to induce Newell to consummate the Merger.

NOW, THEREFORE, in consideration of the mutual covenants, agreements, representations and warranties herein contained, the parties agree as follows:

ARTICLE I
The Escrow

1.01 Deposit in Escrow. At the Closing (as defined in the Reorganization Agreement), the Shareholder shall deposit with the Escrow Agent, to be held in escrow on the terms hereinafter set forth, certificates representing the number of shares of Newell Common Stock set forth opposite the Shareholder's signature hereto (the "Escrow Shares") which certificates shall be accompanied by duly executed stock powers endorsed in blank. Such shares of Newell Common Stock will constitute the Escrow Shares.

1.02 Escrow Property. The Escrow Shares deposited in accordance with the terms hereof together with all dividends and other distributions, including cash dividends (the "Escrow Property"), shall be held by the Escrow Agent on the terms hereinafter set forth. The Escrow Agent shall cause all cash representing the Escrow Property to be invested in the Portico U.S. Treasury Money Market Fund. The



Escrow Agent shall not be responsible for any interest or income on such cash except as actually received.

1.03 Distributions on Escrow Property. All dividends and other distributions paid or made with respect to the Escrow Shares, whether in the form of cash, Newell Common Stock or other securities or property, and such dividends and other distributions shall constitute part of the Escrow Property.

1.04 Taxes and Charges on Escrow Property. The Shareholder shall be responsible for and shall pay and discharge all taxes, assessments and governmental charges imposed on or with respect to the Escrow Property. The Escrow Agent shall report to the Internal Revenue Service the amount of cash dividends received by it with respect to the Escrow Shares as having been received by Shareholder.

1.05 Voting Rights. Escrow Shares held by the Escrow Agent hereunder shall remain registered in the name of the Shareholder, and the Shareholder shall be entitled to exercise all voting rights with respect thereto.

ARTICLE II
[ Intentionally Left Blank ]

ARTICLE III
Indemnification and Other Payments

3.01 Indemnification. Notwithstanding any investigation at any time made by or on behalf of Newell or any information which Newell may have in respect of the business and assets of the Company, except where Newell had actual (not constructive) knowledge prior to Closing under the Agreement, the Shareholder agrees to indemnify and hold Newell and its subsidiaries (including Company) and affiliates (sometimes collectively referred to as "Newell") harmless from and against any and all claims, demands, liabilities, actions or causes of action, losses and damages, including but not limited to reasonable attorneys' fees, witness fees, and other reasonable out-of-pocket expenses and all fines, penalties, assessments, judgments and amounts paid in settlement (collectively, "Damages"), suffered or incurred by Newell arising out of, resulting from or in respect of the following:

(i) any inaccuracy in any representation or breach of any warranty made by or on behalf of Company or the Shareholder in or pursuant to the Reorganization Agreement or in any of the Related Documents;

(ii) any failure of Company or the Shareholder duly to perform or observe any term, provision, covenant, agreement or



condition in the Reorganization Agreement or any of the Related Documents.

(iii) any amount in excess of $25,000 for legal fees and expenses incurred after the date hereof, or required to be paid to Shelton Leigh Palmer & Co. as a result of (x) a settlement approved by Shareholder of the litigation known as Shelton Leigh Palmer & Co. v. Philips Industries, Inc., New York Supreme Court, Queens County, Index 109120/94 or (y) a final unappealable judgment entered therein. Such litigation shall be under the supervision of Shareholder who shall have the right, in his absolute discretion, as to how to proceed and/or settle such litigation.

Each of the above shall be subject to the limitation on survival set forth in Article VIII of the Reorganization Agreement.

3.02 Determination of Damages. The aggregate liability of the Shareholder for Damages incurred pursuant to Sections 3.01(a)(i), (ii) and (iii) of this Agreement, shall be limited to the amount by which such Damages exceed $100,000.

3.03 Limitation of Liability. The parties hereto understand and agree that the Escrow Agreement and the procedures relating thereto as set forth in the Escrow Agreement have been established as the sole means and method of providing for compliance by the Company and the Shareholder with the obligations of the Company and the Shareholder under the Reorganization Agreement and this Agreement after the Merger has become effective, including the obligations of indemnity set forth in the Reorganization Agreement. The parties hereto understand and agree that and the procedures as set forth in this Agreement have been established as the sole means and method of providing a remedy to

Newell for breach of any of the representations , warranties, covenants and agreements of the Company or the Shareholder under the Reorganization Agreement after the Merger has become effective. Notwithstanding anything contained in this Agreement or the Reorganization Agreement to the contrary, Newell agrees that, except to the extent provision has been made therefor under this Agreement, the Company and the Shareholder shall have no liability with respect to any claim, cause of action, obligation of indemnity, breach of representation or warranty or other matter of any nature or character whatsoever arising under or in connection with the Reorganization Agreement after the Merger has become effective. Newell agrees that after the Merger has become effective its exclusive remedy for any such claim, cause of action, obligation of indemnity, breach of representation or warranty, or other matter shall be its rights against the Escrow Property.

3.04 Indemnification Notice. Newell will give written notice (the "Indemnification Notice") to the Escrow Agent and the Shareholder's Agent of any claim which Newell discovers or of which it receives notice which might give rise to a claim against the Escrow Property under Section 3.01 hereof (a "Claim"). Newell's right to indemnification from the Escrow Property shall apply only to those Claims of which Newell shall have given an Indemnification Notice to



the Escrow Agent and the Shareholder's Agent not later than the first anniversary of the Effective Time. Any covenant, agreement, representation or warranty which is the subject of a Claim shall continue to survive, as to such Claim, until such Claim is finally determined as herein provided.

3.05 Claims against the Shareholder. The Shareholder shall have a period of 30 days from the date the Indemnification Notice is given to provide written notice ("Object" or an "Objection") to Newell and the Escrow Agent of an objection to the Claim identified in the Indemnification Notice. Such Objection shall be to the merits or the amount of the Claim or to both the merits and the amount of the Claim. If the Shareholder fails to Object within such 30 day period, the Shareholder shall be conclusively presumed to have agreed to indemnify and hold Newell harmless with respect thereto and Newell shall be entitled to be indemnified for all Damages with respect to such Claim. Newell and the Shareholder shall discuss any Claim as to which the Shareholder objects and attempt to agree upon the amount which is to be paid to Newell with respect to such Claim. To the extent that Newell and the Shareholder agree that Newell is entitled to be indemnified for Damages with respect to any such Claim and the amount of such Damages, they shall give joint written notice to the Escrow Agent to that effect. If Newell and the Shareholder have not agreed as to whether Newell is entitled to indemnification for Damages with respect to any such Claim and/or the amount of such Damages to which Newell is to be paid with respect to any such Claim within 30 days (which period may be extended upon the written agreement of Newell and the Shareholder and notice thereof given to the Escrow Agent) after the date the notice of Objection is given to Newell and the Escrow Agent, either party may thereafter institute an appropriate arbitration proceeding under the auspices of the American Arbitration Association in New York City, with respect to the matters which have not been agreed upon. Each of the parties hereto agrees that a final arbitration ruling in any such proceeding shall be conclusive and binding on such party.

3.06 Third Party Claims. In the event the Indemnification Notice relates to a Claim asserted against Newell by a third party, Newell shall use its reasonable efforts to give notice to the Shareholder within ten (10) days of its receipt of service of any suit or proceeding which may be the subject of a Claim. Newell shall have the right to undertake and control the defense of such Claim and shall have the right to pay, compromise or settle any such Claim without the consent of the Shareholder; provided, however, that if within 20 days after the date the Indemnification Notice has been given, the Shareholder acknowledges in writing without qualification or condition the obligation of the Shareholder to indemnify Newell with respect to such Claim, the Shareholder shall have the right to control the

defense of such Claim and Newell shall be required to seek the consent of the Shareholder to any payment, compromise or settlement of such Claim, which consent shall not be unreasonably withheld. If such acknowledgment is given, or upon a final determination that Newell is entitled to indemnification hereunder, all Damages incurred in respect of any such Claim shall be paid from the Escrow Property.



3.07 Payment of Claims. The Escrow Agent shall continue to hold the Escrow Property pending the occurrence of any of the following: (a) receipt by the Escrow Agent of a written Indemnification Notice from Newell referred to in Section 3.03 hereof setting forth the amount of the Damages, the amount owed to Newell pursuant to Section 3.01 hereof, in each case as to which the Shareholder fails to Object on a timely basis; (b) receipt by the Escrow Agent of written notice from Newell and the Shareholder referred to in Section 3.03 hereof setting forth the amount of the Damages, or the amount owed to Newell pursuant to Sections 3.01 hereof, (c) receipt by the Escrow Agent of an acknowledgment from the Shareholder referred to in Section 3.04 hereof of the obligation of the Shareholder to indemnify Newell and a notice from Newell setting forth the amounts paid to settle a claim with Shareholder approval or amounts paid in satisfaction of a judgment relating to such claim and all Damages in connection therewith; or (d) receipt by the Escrow Agent of a true copy, certified by a court of competent jurisdiction, of a final unappealable order, judgment or decree establishing Newell's claim to indemnification. Upon receipt of any of the foregoing, the Escrow Agent shall deliver to Newell such portion of the Escrow Property as shall equal the amount of the Damages or claim which is to be paid to Newell. For this purpose, the Escrow Shares shall be valued at $25.8625 per share. Escrow Shares shall be paid to Newell prior to payment to Newell of any other portion of the Escrow Property except to the extent required to pay less than $25.8625.

3.08 In the event of any dispute hereunder, the prevailing party shall be entitled to reimbursement of its reasonable legal fees and expenses in connection with such dispute.

## ARTICLE IV
## Termination

4.01 Termination Date. The escrow created by this Agreement shall terminate on the first anniversary of the Effective Time or, if at that time a Claim or Claims made pursuant to Article III hereof is or are pending, upon the final resolution of the last such Claim (the "Termination Date").

4.02 Partial Release of Escrow Property. The number of shares of Newell Common Stock held by the Escrow Agent shall be reduced promptly after the first anniversary of the Effective Date to that number of shares which, when multiplied by $25.8625 shall equal 125% of the aggregate amount of any claims which are then pending (as such claims and related expenses are reasonably estimated by Newell). The shares, if any, released from escrow as a result of such reduction shall be distributed to the Shareholder. As Claims are settled or otherwise disposed of, the retained Escrow Property shall be reduced accordingly.

4.03 Distribution of Escrow Property. On the Termination Date, any remaining Escrow Property shall be distributed to Shareholder.



4.04 Fractional Interests. No fractional share of Newell Common Stock shall be distributed and the Escrow Agent is authorized and directed to sell shares of Newell Common Stock in order to avoid distribution of fractional interests and to deliver the cash equivalent thereof to the extent cash is not then available therefor.

## ARTICLE V

5.01 Rights and Obligations. The Escrow Agent, its officers, directors, employees, and agents (a) shall not be liable for any error of judgment, any mistake of fact or law or any act done or omitted by it in good faith, unless as the result of its gross negligence or willful misconduct; (b) shall be entitled to treat as genuine any letter or other document furnished to it by Newell, the Company or the Shareholder's Agent and believed by it to be genuine and to have been signed and presented by the proper party or parties; and (c) shall be paid by Newell for its services at its customary rates as in effect from time to time and its out-of-pocket expenses (including but not limited to the reasonable attorneys' fees and disbursements of its counsel); (d) shall be entitled to consult with counsel of its own choosing with respect to any matter that arises hereunder and shall not be liable for action taken or omitted to be taken by it in good faith, and in accordance with the advice of such counsel; (e) shall be entitled to resign and be discharged from its duties hereunder by giving written notice of such resignation to Newell and Shareholder specifying a date not less than 30 business days following the date of such notice when such resignation shall take effect, at which time the successor escrow agent selected by Newell with the prior written approval of Shareholder shall accept such appointment and the Escrow Property held hereunder; and (f) shall be indemnified and held harmless by Newell and Shareholder, jointly and severally, against any and all costs, expenses, damages and liabilities incurred by it hereunder except for those incurred by it as a result of its own willful misconduct or negligence. Any successor Escrow Agent shall execute a copy hereof, acknowledging its agreement to the terms hereof.

## ARTICLE VI
## Miscellaneous

6.01 Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered in person, (b) one business day after deposit with a nationally recognized overnight courier service, (c) two business days after being deposited in the United States mail, postage prepaid, first class, registered or certified mail, or (d) the business day on which it is sent and received by facsimile, as follows:



If to the Escrow Agent:
Firstar Trust Company
615 East Michigan Street
Milwaukee, WI 53202
Attention: William Caruso

If to Newell:
Newell Co.
29 East Stephenson Street
Freeport, Illinois 61032
Attention: William T. Alldredge
Facsimile: (608) 365-8290

and

Mr. Richard H. Wolff
Associate General Counsel
Newell Co.
4000 Auburn Street
Rockford, Illinois 61125-7018
Facsimile: (815) 969-6106

If to Shareholder:
to the address set forth
on the signature page hereto

With a copy to: Kenneth Gliedman
SPITZER & FELDMAN, P.C.
405 Park Avenue

New York, N Y 10022
Facsimile: (212) 838-7472

6.02 Headings and Definitions. The section and subsection headings in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

6.03 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York .

6.04 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

6.05 Fees. All fees and charges of Escrow Agent for its services hereunder, including disbursements, will be paid by Newell.



IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

NEWELL CO.

Number of Newell Shares Deposited

/s/ Richard H. Wolff

By: Richard H. Wolff
Title:Secretary

30,159

/s/ Carl Philips

CARL PHILIPS
1 W. 64th Street, Apt. 3B
New York, New York 10023

FIRSTAR TRUST COMPANY, as Escrow Agent

Attest:

/s/Charles F. Pedersen

Charles F. Pedersen
Assistant Secretary

/s/ William Caruso

By: William Caruso
Title:Assistant Vice President

EXHIBIT 2.3

ESCROW AND INDEMNITY AGREEMENT

This Escrow and Indemnity Agreement ("Agreement") is made and entered into as of August 25, 1995, by and between Newell Co., a Delaware corporation ("Newell"), and Carl Philips (the "Shareholder") and Firstar Trust Company (the "Escrow Agent").

WHEREAS, Newell, Philips Acquisition Co., a New York corporation ("Acquisition"), Philips Industries, Inc., a New York corporation ("Company"), and the Shareholder have entered into an Agreement and Plan of Reorganization dated August 25, 1995 (the "Reorganization Agreement"), providing for the merger of Acquisition with and into Company (the "Merger") and the conversion of the issued and outstanding shares of common stock of Company into shares of commons stock of Newell (the "Newell Common Stock") pursuant to the Plan of Merger dated August 25, 1995 between Acquisition and Company (the "Plan of Merger");

WHEREAS, the Company has thusfar been unable to agree to terms for the termination of the Real Property Lease (as defined in the Reorganization Agreement) under Section 6.0 of the Reorganization Agreement and the parties have determined to close, notwithstanding the non-occurrence of such condition to Closing.

NOW, THEREFORE, in consideration of the mutual covenants, agreements, representations and warranties herein contained, the parties agree as follows:

ARTICLE I
THE ESCROW

1.01 DEPOSIT IN ESCROW. At the Closing (as defined in the Reorganization Agreement), the Shareholder shall deposit with the Escrow Agent to be held in escrow (the "Escrow") on the terms hereinafter set forth, certificates representing the number of shares of Newell common stock set forth opposite the Shareholder's signature hereto (the "Escrow Shares") which certificates shall be accompanied by duly executed stock powers endorsed in blank. Such shares of Newell common stock will constitute the Escrow Shares.

1.02 ESCROW SHARES. The Escrow Shares and stock powers deposited in accordance with the terms hereof (the "Escrow Shares"), shall be held by the Escrow Agent on the terms hereinafter set forth.

1.03 DISTRIBUTIONS ON ESCROW SHARES. All dividends and other distributions paid or made with respect to the Escrow Shares, whether in the form of cash, Newell common stock (other than stock splits) or other securities or property, and such dividends and other distributions shall not constitute part of the Escrow Shares and shall be paid directly to Shareholder.

1.04 TAXES AND CHARGES ON ESCROW SHARES. The Shareholder shall be responsible for and shall pay and discharge all taxes,



assessments and governmental charges imposed on or with respect to the Escrow Shares.

1.05 VOTING RIGHTS. Escrow Shares held by the Escrow Agent hereunder shall remain registered in the name of the Shareholder, and the Shareholder shall be entitled to exercise all voting rights with respect thereto.

ARTICLE II
Intentionally Left Blank

ARTICLE III
Indemnification and Other Payments

3.01 INDEMNIFICATION. Newell agrees to cause the Company to pay timely to the landlord ("Landlord") under the Real Property Lease all amounts due under the Real Property Lease and otherwise comply

with the terms and conditions of the Real Property Lease; however, Newell will cause Company to vacate the Property effective on or before December 31, 1995 ("Vacancy Date"). In the event the Real Property Lease is not terminated by the Vacancy Date, Shareholder will indemnify, defend and hold harmless Newell and the Company for (x) all rent and other payments (other than amounts caused by the default of the Company thereunder) and termination payments agreed to by Shareholder due under the Real Property Lease for any period after the Vacancy Date, less all amounts collected by the Company from any sublessee or assignee of the Real Property Lease, plus (y) any brokerage commission and tenant improvement costs payable by Company in connection with any such sublets or assignments.

3.02 DETERMINATION OF DAMAGES. The aggregate liability of Shareholder hereunder shall be 60% of the amount set forth in Section 3.01 above, which is deemed for purposes hereof to be the amount set forth in Section 3.01 net of the aggregate federal, state and local taxes calculated at the marginal tax rates (collectively, "Taxes") on such amount which would have been payable by Newell (such amount being hereinafter defined as "Damages").

3.03 SUBLETTING AND ASSIGNMENT. Newell agrees that Shareholder shall have the absolute right, on behalf of the Company, to sublet all or portions of the property ("Property") leased under the Real Property Lease for a period or periods with occupancy commencing after the Vacancy Date and/or to cause the Company to assign the Real Property Lease as determined by Shareholder with occupancy effective at any time after the Vacancy Date and to retain brokers in connection therewith. Newell will cause the Company to execute the appropriate documents in connection therewith and submit to the Landlord all documentation necessary to obtain its consent. Upon execution of any such sublet or assignment and approval thereof by Landlord, provided Newell is satisfied, in its sole discretion with the creditworthiness of the subtenant or assignee, the Shareholder and Newell shall mutually determine the maximum then remaining Damages which may be incurred by the Company for the remainder of the term of the Real Property Lease, assuming that all such creditworthy subtenants and/or assignees make timely payment of all amounts due from them under their subleases and assignments. To the extent that



the value of the Escrow Shares exceeds such amount, and Newell has so satisfied itself as to creditworthiness, a number of Escrow Shares representing such excess shall be released from Escrow by the Escrow Agent to Shareholder promptly after such calculation. Notwithstanding the release of the Escrow Shares, Shareholder shall remain personally liable for any Damages, including Damages caused by a default by any sublessee or assignee of the Property. In the event, however, of any such default, the Company agrees that Shareholder shall have the right, in the name of and on behalf of the Company, at his sole cost and expense, to pursue all remedies which the Company may have against such defaulting entity and that any amount received from such defaulting entity, net of Taxes thereon, shall reduce the Damages as calculated pursuant to Sections 3.01 and 3.02 above. Newell agrees promptly to notify Shareholder of any default by any subtenant or assignee.

3.04 TERMINATION OF LEASE. In addition to the sublet and assignment rights which Shareholder has been granted pursuant to Section 3.03 above, Shareholder shall have the absolute right to negotiate and Newell shall cause the Company to execute a termination of the Real Property Lease effective at any time after the Vacancy Date, provided that the value of the Escrow Shares together with any amounts contemporaneously therewith paid by the Shareholder to the Company at least equals 60% of the amount required to be paid by the Company to the Landlord in connection with such termination.

3.05 CLAIM AGAINST SHAREHOLDER. Newell will give written notice (the "Indemnification Notice") to the Escrow Agent and the Shareholder semi-annually commencing June 30, 1996 for any claim hereunder for Damages for the preceding six months (a "Claim").

3.06 CLAIMS AGAINST THE SHAREHOLDER. The Shareholder shall

have a period of 30 days from the date the Indemnification Notice is given to provide written notice ("Objection") to Newell and the Escrow Agent of an Objection to the Claim identified in the Indemnification Notice. Such Objection shall be to the merits or the amount of the Claim or to both the merits and the amount of the Claim. If the Shareholder fails to object within such 30-day period, the Escrow Agent shall make payment of the amount of the Claim in accordance with Section 3.07 below. If the Shareholder objects to indemnification for Damages with respect to any such Claim and/or the amount of such Damages within 30 days (which period may be extended upon the written agreement of Newell and the Shareholder and notice thereof given to the Escrow Agent) after the date the notice of Objection is given to Newell and the Escrow Agent, either party may thereafter institute an appropriate arbitration proceeding under the auspices of the American Arbitration Association in New York City, with respect to the matters which have not been agreed upon. Each of the parties hereto agrees that a final arbitration ruling in any such proceeding shall be conclusive and binding on such party.

3.07 PAYMENT OF CLAIMS. The Escrow Agent shall continue to hold the Escrow Shares pending the occurrence of any of the following: (a) receipt by the Escrow Agent of a written Indemnification Notice from Newell referred to in Section 3.05 hereof



setting forth the amount of the Damages, the amount owed to Newell pursuant to Section 3.01 hereof, in each case as to which the Shareholder fails to give an Objection notice on a timely basis; (b) receipt by the Escrow Agent of written notice from Newell and the Shareholder referred to in Section 3.03 hereof setting forth the amount of the Damages, or the amount owed to Newell pursuant to Sections 3.01 hereof and/or the amount owed Shareholder under Section 3.03 and/or 3.08; (c) receipt by the Escrow Agent of a copy of the determination of the arbitrator pursuant to Section 3.06 above. Upon receipt of any of the foregoing, the Escrow Agent shall deliver to: (i) Newell such portion of the Escrow Shares as shall equal the amount of the Damages which is to be paid to Newell; or Shareholder such portion of the Escrow Shares as shall equal the amount to be released to Shareholder pursuant to Section 3.03 and 3.08. For all purposes hereunder, the Escrow Shares shall be valued at $25.8625 per share plus an imputed interest rate thereon at 6.27% per annum until released from escrow hereunder. To the extent less than the then value of a share is required for full payment of any amount, an additional Escrow Share shall be delivered to the party entitled thereto and the difference will be adjusted on the next delivery to such party.

3.08 SUCCESSIVE RELEASE OF ESCROW SHARES. Semi-annually commencing July 1, 1996, a portion of Escrow Shares shall be released from escrow to the extent set forth in Exhibit A annexed hereto.

3.09 PAYMENT OF CASH. To the extent that, at any time, the amount of a Claim for which Newell is entitled to payment pursuant to the terms hereof exceeds the remaining Escrow Shares, Shareholder shall deliver to Newell, within fifteen (15) days after notice from Newell, a check, subject to collection, in the amount of the shortfall.

3.10 LEGAL FEES. In the event of any dispute hereunder, the prevailing party shall be entitled to reimbursement of its reasonable legal fees and expenses in connection with such dispute.

## ARTICLE IV
## TERMINATION

4.01 TERMINATION DATE. The Escrow shall terminate upon the earlier of the release of the last Escrow Shares hereunder or the expiration or earlier termination of the Real Property Lease in accordance with its terms ("Termination Date").

4.02 DISTRIBUTION OF ESCROW SHARES. On the Termination Date, any remaining Escrow Shares shall be distributed to Shareholder.

## ARTICLE V

The Escrow Agent

5.01 RIGHTS AND OBLIGATIONS. The Escrow Agent, its officers, directors, employees and agents (a) shall not be liable for any error of judgment, any mistake of act or law or any act done or omitted by it in good faith, unless as the result of its gross negligence or willful misconduct; (b) shall be entitled to treat as genuine any letter or other document furnished to it by Newell, the



Company or the shareholder's Agent and believed by it to be genuine and to have been signed and presented by the proper party or parties; and (c) shall be paid by Newell for its services at its customary rates as in effect from time to time and its out-of-pocket expenses (including but not limited to the reasonable attorneys' fees and disbursements of its counsel); (d) shall be entitled to consult with counsel of its own choosing with respect to any matter that arises hereunder and shall not be liable for action taken or omitted to be taken by it in good faith, and in accordance with the advice of such counsel (e) shall be entitled to resign and be discharged from its duties hereunder by giving written notice of such resignation to Newell and Shareholder specifying a date not less than 30 business days following the date of such notice when such resignation shall take effect, at which time the successor escrow agent selected by Newell with the prior written approval of Shareholder shall accept such appointment and the Escrow Shares held hereunder; and (f) shall be indemnified and hold harmless by Newell and Shareholder, jointly and severally, against any and all costs, expenses, damages and liabilities incurred by it hereunder except for those incurred by it as a result of its own willful misconduct or negligence. Any successor Escrow Agent shall execute a copy hereof, acknowledging its agreement to the terms hereof.

ARTICLE VI
Miscellaneous

6.01 NOTICES. All notices and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered in person, (b) one business day after deposit with a nationally recognized overnight courier service, (c) two business days after being deposited in the Untied States mail, postage prepaid, first class, registered or certified mail, or (d) the business day on which it is sent and received by facsimile, as follows:

If to the Escrow Agent:

Firstar Trust Company
615 East Michigan Street
Milwaukee, WI 53202
Attention: William Caruso

If to Newell:

Newell Co.
29 East Stephenson Street
Freeport, Illinois 61032
Attention: William T. Alldredge
Facsimile: (608) 365-8290

and

Mr. Richard H. Wolff
Associate General Counsel
Newell Co.
4000 Auburn Street
Rockford, Illinois 61125-7018
Facsimile: (815) 969-6106



If to Shareholder:

To the address set forth
on the signature page hereto

With a copy to:

Kenneth Gliedman, Esq.
Spitzer & Feldman P.C.
405 Park Avenue
New York, New York 10022
Facsimile: (212) 838-7472

6.02 HEADINGS AND DEFINITIONS. The section and subsection headings in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

6.03 GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

6.04 COUNTERPARTS. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

6.05 FEES. All fees and charges of Escrow Agent for its services hereunder, including disbursements, will be paid by Newell.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

Number of Newell Shares
Deposited: 29,196

NEWELL CO.

By: /s/ Richard H. Wolff

Title: Secretary

/s/ Carl Philips
Carl Philips

Address:

Attest:

Firstar Trust Company,
as Escrow Agent

_____

By:_____
Title:_____



EXHIBIT A

| CALCULATION DATE | MINIMUM AMOUNT |
|---|---|
| January 1, 1996 | $ 756,555 |
| July 1, 1996 | 715,227 |
| January 1, 1997 | 672,604 |
| July 1, 1997 | 628,645 |
| January 1, 1998 | 583,308 |
| July 1, 1998 | 518,025 |
| January 1, 1999 | 450,695 |
| July 1, 1999 | 381,254 |
| January 1, 2000 | 309,637 |
| July 1, 2000 | 235,774 |
| January 1, 2001 | 159,596 |
| July 1, 2001 | 81,030 |

To the extent that on any Calculation Date the value of the Escrow Shares exceeds the value shown in the Minimum Amount column, the Escrow shares reflecting such excess shall be released from escrow and delivered to Shareholder.

EXHIBIT 5

SCHIFF HARDIN & WAITE
7300 Sears Tower
Chicago, Illinois 60606
(312) 876-1000
- ------------------------

September 6, 1995

Securities and Exchange Commission
Judiciary Plaza
450 Fifth Street, N.W.
Washington, D.C. 20549-1004

Re: Newell Co.
Registration Statement on Form S-3

Ladies and Gentlemen:

We are acting as counsel for Newell Co., a Delaware corporation (the "Company"), in connection with the Company's filing of a Registration Statement on Form S-3 (the "Registration Statement") with the Securities and Exchange Commission covering the registration of 247,946 shares of common stock, par value $1.00 per share, of the Company and the related Preferred Stock Purchase Rights attached thereto (collectively the "Shares") which are being offered for the account of a certain selling stockholder of the Company.

In this connection we have examined such documents and have made such factual and legal investigations as we have deemed necessary or appropriate for the purpose of this opinion.

Based upon the foregoing, it is our opinion that the Shares have been validly authorized and are legally issued, fully paid and non-assessable. We draw to your attention, however, that the Wisconsin Supreme Court has held that the provisions of a predecessor of Section 180.0622 of the Wisconsin Business Corporation Law relating to shareholders' liability for employee wages are applicable to foreign corporations qualified to do business in the State of Wisconsin, such as the Company.

We hereby consent to the filing of this opinion as Exhibit 5 to the Registration Statement and to the reference to us under the caption "Legal Opinion" in the Registration Statement.

Very truly yours,

SCHIFF HARDIN & WAITE

By: /s/ Linda J. Wight
---
Linda J. Wight

EXHIBIT 23.1

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference in this registration statement of our report January 28, 1995 included in Newell Co.'s Form 10-K for the year ended December 31, 1994 and to all references to our Firm included in this registration statement.

By: /s/ Arthur Andersen LLP
---
ARTHUR ANDERSEN LLP

Milwaukee, Wisconsin
September 6, 1995