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UNITED STATES DISTRICT COURT  
DISTRICT OF CONNECTICUT

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U.S. DISTRICT COURT  
HARTFORD, CT

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THE STANLEY WORKS,  
a Connecticut corporation,

Plaintiff,

v.

NEWELL CO.,  
a Delaware corporation,

Defendant.

Civil Action  
No. 2:91CV00488-TEC

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STATE OF CONNECTICUT  
ex rel. Richard Blumenthal,  
Attorney General of Connecticut,

Plaintiff,

v.

NEWELL COMPANY,  
a Delaware corporation,

Defendant.

Civil Action *LeP*  
No. 2:92CV00566-AVC ✓

October 2, 1992

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STIPULATION AND ORDER

WHEREAS The Stanley Works ("Stanley") commenced Civil Action No. 2:91CV00488-TEC (the "Stanley action") against Newell Co. ("Newell") on June 7, 1991 and Richard Blumenthal, Attorney General of the State of Connecticut (the "Attorney General"), commenced Civil Action No. 2:92CV00566-AVC (the "Connecticut

action") against Newell on July 1, 1992; and

WHEREAS both actions seek permanent injunctive and other relief based on allegations that Newell has been and is engaged in an effort to acquire shares of Stanley and to acquire control of Stanley in violation of Section 7 of the Clayton Act, 15 U.S.C. § 18, Section 1 of the Sherman Act, 15 U.S.C. § 1, and the Connecticut Antitrust Act, Conn. Gen. Stat. § 35-26; and

WHEREAS Newell has denied that it has been or is engaged in any activity in violation of Section 7 of the Clayton Act, Section 1 of the Sherman Act, or the Connecticut Antitrust Act; and

WHEREAS Stanley and the Attorney General have expended considerable time and resources in an effort to prove their claims against Newell, and Newell has expended considerable time and resources in an effort to defend against the claims asserted by Stanley and the Attorney General; and

WHEREAS Newell has moved for summary judgment and partial summary judgment dismissing the Stanley action and/or portions thereof, and has moved to dismiss the Connecticut action, and those motions are now sub judice before the Honorable Magistrate Judge Thomas P. Smith; and

WHEREAS Stanley and the Attorney General have moved for a preliminary injunction to prevent Newell, during the pendency of the aforementioned litigation, from, inter alia, taking any steps in furtherance of any effort to acquire additional shares of Stanley or taking any action or making any proposal to merge

or combine with Stanley, and those motions are now the subject of an evidentiary hearing before the Hon. Magistrate Judge Thomas P. Smith; and

WHEREAS, on September 22, 1992 the Court (Dorsey, J.) entered a Temporary Restraining Order barring Newell and Stanley from "making, inducing, causing or permitting any public disclosure of any steps taken, plans or methods to acquire stock of Stanley, of any communications with Stanley, its officers, directors, employees, shareholders or attorneys pertaining to any such steps, plans or methods or of any proceedings or filings in this lawsuit which are not otherwise a matter of public record" for ten days, and on October 1, 1992 extended said Temporary Restraining Order until the decision on the preliminary injunction by Magistrate Judge Smith; and

WHEREAS Newell, Stanley and the Attorney General have agreed that it is in the best interests of all parties that this litigation be terminated and the issues between all parties be resolved; and

WHEREAS Newell has indicated its willingness to forbear taking any steps to seek to merge or combine with or influence Stanley or to acquire Stanley shares and that it is further willing to sell the shares of Stanley it currently owns or controls, as more fully set forth below;

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED  
SUBJECT TO APPROVAL OF THE COURT:

1. Newell shall sell all Stanley shares it currently owns or controls in the open market in an orderly manner within a reasonable period of time not to exceed one year from the date hereof. Newell shall certify in writing to Stanley, the Attorney General, and the Court that it has disposed of those shares within two business days after it has completed the aforesaid disposition.

2. For a period of ten years, commencing on the date the Court approves and enters this Stipulation and Order, Newell, its agents, or others acting in concert with Newell, shall not directly or indirectly:

(a) acquire, announce an intention to acquire or propose to acquire, in any way, whether in the open market, by tender or exchange offer or otherwise, any securities issued by Stanley or any assets or businesses owned by Stanley;

(b) participate in the formation of, encourage the formation of or join in any way with any "person" (as that term is defined in Section 13(d)(3) of the Securities Exchange Act of 1934 and Section 2(2) of the Securities Act of 1933) in any effort to own or acquire Stanley securities;

(c) "solicit" or participate in any

"solicitation" of proxies or become a participant in any election contest with respect to Stanley as such quoted terms are defined in Regulation 14A promulgated by the Securities and Exchange Commission;

- (d) initiate, propose or otherwise solicit stockholders for the approval of any stockholder proposals with respect to Stanley or induce any other person to initiate any stockholder proposal;
- (e) otherwise seek to control or otherwise seek to influence the stockholders, management, Board of Directors, policies or affairs of Stanley or solicit, propose, seek to effect or negotiate with any other person (including, without limitation, Stanley) with respect to any form of business combination or other extraordinary transaction with Stanley or any of its subsidiaries or any restructuring, recapitalization, similar transaction or other transaction not in the ordinary course of business with respect to Stanley or any of its subsidiaries; solicit, make or propose or negotiate with any other person with respect to, or announce or otherwise disclose an intent to make, any

tender offer or exchange offer for any securities of Stanley or any of its subsidiaries; or disclose to Stanley or otherwise an intent, purpose, plan or proposal with respect to Stanley, any of its subsidiaries or any securities or assets of Stanley or any of its subsidiaries, that would violate any of the provisions of this Stipulation and Order; or assist, participate in, facilitate or solicit any effort or attempt by any person to do or seek to do any of the foregoing; provided however, that nothing in this sub-paragraph (e) shall be deemed to prohibit Newell from seeking to influence Stanley's management solely with respect to ordinary commercial business matters such as joint lobbying or joint marketing or similar activities; and

(f) request or propose to request of Stanley (or its directors, officers, employees or agents), and/or the Attorney General or the Court that they amend or waive any provision of this Agreement or that they otherwise seek termination, modification or waiver of any of Newell's agreements or obligations under this Stipulation and Order.

3. The parties herewith stipulate to discontinue these actions forthwith without prejudice to their right to renew these actions should there be found to be a violation of any of the terms hereof.

4. Stanley and Newell each agrees to bear its own costs and expenses. Newell agrees to pay to the Attorney General the sum of \$75,000 within five business days from the date of entry of this Stipulation and Order as reimbursement of certain of its investigative and litigation costs and expenses.

5. All parties agree to comply with the provisions of the Stipulation and Order for the Protection and Exchange of Confidential Information entered by Judge T. Emmet Clarie on June 24, 1991 as extended by the Order of Magistrate Judge Thomas P. Smith dated September 8, 1992 concerning the return of information and documents designated as "confidential" or "highly confidential" (the "Protective Order") and further agree that these actions shall be considered terminated within the meaning of paragraph 15 of the Protective Order.

6. For purposes of this Stipulation and Order "Stanley" and "Newell" shall be deemed to include all of their respective successors and assigns, including but not limited to any or all companies or entities with which they or either of them shall be merged.

7. Each of Stanley and Newell releases the other from any and all claims arising from or relating to the Stanley action, except for any claim that may arise from a breach of this

Stipulation and Order. Each of the Attorney General and Newell releases the other from any and all claims arising from or relating to the Connecticut action, except for any claim that may arise from a breach of this Stipulation and Order.


8. Nothing in this Stipulation and Order constitutes an admission of any kind by any party as to the validity or invalidity of any claim, defense, allegation or contention raised by any party in either the Stanley action or the Connecticut action.

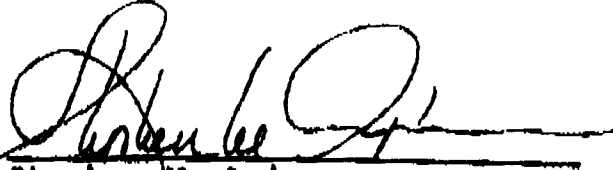
9. Stanley and Newell each represent that the undersigned have been authorized to enter into this Stipulation and Order.

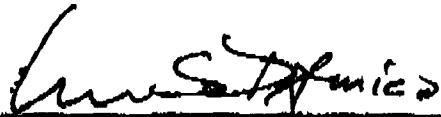
10. This Court shall retain jurisdiction to enforce any or all provisions of this Stipulation and Order. The parties specifically agree that Stanley and the Attorney General would suffer irreparable harm should any provision of this Stipulation



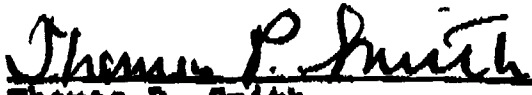
and Order not be strictly complied with. Accordingly, the parties will be entitled to an injunction to prevent a breach of this stipulation and Order and to enforce its provisions.

  
Richard Blumenthal  
Attorney General of the  
State of Connecticut


  
Stephen M. Axinn  
Counsel for the Plaintiff  
The Stanley Works

  
William S. D'Amico  
Counsel for Defendant  
Newell Co.

SO ORDERED

  
Thomas P. Smith  
U.S. Magistrate Judge

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T. Emmet Claria  
U.S. District Judge  
with respect to 291CV00488-TEC

  
Alfred V. Covello  
U.S. District Judge  
with respect to 292CV00566-AVC