

Weatherford International Ltd./Switzerland (WFT)

8-K

Current report filing

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act
of 1934

Date of Report (Date of earliest event reported): December 31, 2009

WEATHERFORD INTERNATIONAL LTD.

(Exact name of registrant as specified in its charter)

Switzerland
(State of Incorporation)

001-34258
(Commission File No.)

98-0606750
(I.R.S. Employer Identification No.)

4-6 Rue Jean-François Bartholoni, 1204 Geneva, Switzerland
(Address of Principal Executive Offices)

Not Applicable
(Zip Code)

Registrant's telephone number, including area code: **+41-22.816.15.00**

Not Applicable (Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangement of Certain Officers.

As of December 31, 2009, Weatherford International Ltd. (the "Company") entered into new employment agreements with each of Jessica Abarca, Andrew P. Becnel, M. David Colley, Bernard J. Duroc-Danner, Stuart E. Ferguson and Keith R. Morley (the "2010 Employment Agreements") and, effective as of January 1, 2010, adopted a new Supplemental Executive Retirement Plan (the "2010 SERP") in which those officers will participate. The 2010 Employment Agreements supersede and replace the existing employment agreements with Weatherford International Ltd. and Weatherford International, Inc. (the "2009 Agreements").

As disclosed in our Current Report on Form 8-K filed December 31, 2008, as of December 31, 2008, we amended several agreements and plans relating to compensation of our executive officers and directors in an effort to bring those arrangements into compliance with Sections 409A and 457A of the Internal Revenue Code, and entered into the 2009 Agreements, which agreements provided that we would enter into new employment agreements and a new retirement plan with our executive officers prior to the expiration of the 2009 Agreements. Our failure to do so would provide our executive officers with the right to terminate their employment agreements for "good reason", as defined in the 2009 Agreements. The 2009 Agreements required the new employment agreements and new retirement plan to have the same terms and conditions as existed in agreements and plans between us and the executive officers prior to December 30, 2008, and to incorporate such terms and conditions that are more favorable to the executive officers from all agreements and retirement plans existing on January 1, 2009.

As required by the 2009 Agreements, the 2010 Employment Agreements and the 2010 SERP have similar terms and conditions to those in the agreements and plans prior to December 30, 2008, while incorporating such terms and conditions that are more favorable to the officers from all agreements and retirement plans existing on January 1, 2009. Specifically, each 2010 Employment Agreement is a three-year evergreen term employment agreement that incorporates terms contained in the 2009 Employment Agreements along with certain technical changes intended to reflect the Company's redomestication to Switzerland and the satisfaction of the Company's obligations under the 2009 Agreements. In addition, the 2010 SERP is intended to provide supplemental retirement benefits under the same terms and conditions in existence under the Nonqualified Executive Retirement Plan (the "ERP") prior to December 30, 2008 (the date when the ERP was amended to freeze future benefit accruals) and to incorporate technical changes and such terms and conditions that are more favorable to employees as reflected under the ERP, as amended December 31, 2008, and under the SRP. The frozen ERP will remain in effect, but any benefits paid under the ERP will be offset by a reduction in benefits under the 2010 SERP. The SRP terminated under its original terms on December 31, 2009 and will not provide any further benefits.

The form of 2010 Employment Agreement is filed as Exhibit 10.1 and the 2010 SERP is filed as Exhibit 10.2 to this Current Report on Form 8-K and each are incorporated herein by reference. These descriptions are summaries of the material provisions of these documents but are not complete descriptions of the documents, which you are encouraged to read.

Item 9.01 Financial Statements and Exhibits.**(d) Exhibits**

<u>Exhibit Number</u>	<u>Description</u>
10.1	Form of Employment Agreement with Weatherford International Ltd.
10.2	Weatherford International Ltd. Supplemental Executive Retirement Plan.

SIGNATURES

Pursuant to the requirement of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: December 31, 2009

WEATHERFORD INTERNATIONAL LTD.

By:

/s/ JOSEPH C. HENRY

Joseph C. Henry

Vice President and Co-General Counsel

INDEX TO EXHIBITS

Exhibit Number	Description
10.1	Form of Employment Agreement with Weatherford International Ltd.
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EMPLOYMENT AGREEMENT

This Employment Agreement (this "Agreement") is entered into as of the date set forth on the signature page hereto (the "Effective Date") by and between Weatherford International Ltd., a Swiss joint-stock corporation registered in Switzerland, Canton of Zug (the "Company"), and the individual signing as "Executive" on the signature page hereto (the "Executive").

WITNESSETH:

WHEREAS, the Board of Directors of the Company has previously determined that it is in the best interests of the Company and its shareholders to retain the Executive and to induce the employment of the Executive for the long-term benefit of the Company; and

WHEREAS, the Company desires to continue to employ the Executive on the terms set forth below to provide services to the Company and its Affiliated companies, and the Executive is willing to accept such continued employment and provide such services on the terms set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the parties hereto do hereby agree that:

1. Certain Definitions.

(a) "Affiliate" shall have the meaning set forth in Rule 12b-2 promulgated under Section 12 of the Exchange Act.

(b) "Annual Bonus" shall mean the Executive's annual bonus under the then-current annual incentive plan of the Company and any of its Affiliated companies.

(c) "Annual Bonus Amount" shall mean the sum of (i) the amount of the Annual Bonus, if any, paid or provided in any form (whether in cash, securities or any combination thereof) by the Company or any of its Affiliated companies to or for the benefit of the Executive for services rendered or labor performed during a fiscal year of the Company and (ii) the amount of the discretionary bonus or other bonus paid outside of the Company's annual incentive plan, if any, paid or provided in any form (whether in cash, securities or any combination thereof) by the Company or any of its Affiliated companies to or for the benefit of the Executive (it being understood that if multiple bonuses are paid for any given year, or if a bonus is made in multiple installments for a year, all such bonuses or installments shall be aggregated as a single payment for that year in determining the Annual Bonus Amount). The Executive's Annual Bonus Amount shall be determined by including any portion thereof that the Executive could have received in cash or securities in lieu of (i) any elective deferrals made by the Executive pursuant to all nonqualified deferred compensation plans or (ii) elective contributions made on the Executive's behalf by the Company pursuant to a qualified cash or deferred arrangement (as defined in section 401(k) of the Code) or pursuant to a plan maintained under section 125 of the Code.

(d) "Applicable Multiple" shall mean the number identified as such on the signature page hereto.

(e) "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Exchange Act.

(f) "Board" shall mean the Board of Directors of the Company.

(g) "Cause" shall mean:

(i) the willful and continued failure of the Executive to substantially perform the Executive's duties with the Company (other than any such failure resulting from incapacity due to physical or mental illness or anticipated failure after the issuance of a Notice of Termination for Good Reason by the Executive pursuant to Section 4(d)), after a written demand for substantial performance is delivered to the Executive by the Board which specifically identifies the manner in which the Executive has not substantially performed the Executive's duties; or

(ii) the Executive willfully engaging in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Company.

No act, or failure to act, on the part of the Executive shall be considered "willful" unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of the Chief Executive Officer or of a more senior officer of the Company or based upon the advice of counsel for the Company (which may be in-house counsel of the Company or other counsel employed or engaged by the Company or its Subsidiaries) shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company. The cessation of employment of the Executive shall not be deemed to be for Cause unless and until there shall have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters (3/4) of the entire membership of the Board at a meeting of the Board called and held for such purpose (after reasonable notice is provided to the Executive, and the Executive is given an opportunity, together with counsel, to be heard before the Board), finding that, in the good faith opinion of the Board, the Executive is guilty of the conduct described in subparagraph (i) or (ii) above, and specifying the particulars thereof in detail.

(h) "Change of Control" shall be deemed to have occurred if any event set forth in any one of the following paragraphs shall have occurred:

(i) any Person is or becomes the Beneficial Owner, directly or indirectly, of twenty percent (20%) or more of either (A) the then outstanding registered shares of the Company (the "Outstanding Company Registered Shares") or (B) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"), excluding any Person who becomes such a Beneficial Owner in connection with a transaction that complies with clauses (A), (B) and (C) of paragraph (iii) below;

(ii) individuals, who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least two-thirds (2/3) of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least two-thirds (2/3) of the Incumbent Board shall be considered as though such individual was a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or any other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;

(iii) the consummation of a reorganization, merger, amalgamation, consolidation, scheme of arrangement, exchange offer or similar transaction of the Company or any of its Subsidiaries or the sale, transfer or other disposition of all or substantially all of the Company's Assets (any of which a "Corporate Transaction"), unless, following such Corporate Transaction or series of related Corporate

Transactions, as the case may be, (A) all of the individuals and Entities who were the Beneficial Owners, respectively, of the Outstanding Company Registered Shares and Outstanding Company Voting Securities immediately prior to such Corporate Transaction beneficially own, directly or indirectly, more than sixty-six and two-thirds percent (66-2/3%) of, respectively, the Outstanding Company Registered Shares and the combined voting power of the Outstanding Company Voting Securities entitled to vote generally in the election of directors (or other governing body), as the case may be, of the Entity resulting from such Corporate Transaction (including, without limitation, an Entity which as a result of such transaction owns the Company or all or substantially all of the Company's Assets either directly or through one (1) or more subsidiaries or Entities) in substantially the same proportions as their ownership, immediately prior to such Corporate Transaction, of the Outstanding Company Registered Shares and the Outstanding Company Voting Securities, as the case may be, (B) no Person (excluding any Entity resulting from such Corporate Transaction or any employee benefit plan (or related trust) of the Company or such Entity resulting from such Corporate Transaction) beneficially owns, directly or indirectly, twenty percent (20%) or more of, respectively, the then outstanding shares of common stock of the Entity resulting from such Corporate Transaction or the combined voting power of the then outstanding voting securities of such Entity except to the extent that such ownership existed prior to the Corporate Transaction and (C) at least two-thirds (2/3) of the members of the board of directors (or other governing body) of the Entity resulting from such Corporate Transaction were members of the Incumbent Board at the time of the approval of such Corporate Transaction; or

(iv) approval or adoption by the Board or the shareholders of the Company of a plan or proposal which could result directly or indirectly in the liquidation, transfer, sale or other disposal of all or substantially all of the Company's Assets or the dissolution of the Company.

(i) "Code" shall mean the Internal Revenue Code of 1986, as amended.

(j) "Company" shall mean Weatherford International Ltd., a Swiss joint-stock corporation registered in Switzerland, Canton of Zug, or any successor to Weatherford International Ltd., including but not limited to any Entity into which Weatherford International Ltd. is merged, consolidated or amalgamated, or any Entity otherwise resulting from a Corporate Transaction.

(k) "Company's Assets" shall mean the assets (of any kind) owned by the Company, including, without limitation, the securities of the Company's Subsidiaries and any of the assets owned by the Company's Subsidiaries.

(l) "Disability" shall mean the absence of the Executive from performance of the Executive's duties with the Company on a substantial basis for one hundred twenty (120) calendar days as a result of incapacity due to mental or physical illness.

(m) "Employment Period" shall mean the period commencing on the Effective Date and ending on the third anniversary of the Effective Date; provided, however, that commencing on the date one year after the Effective Date, and on each annual anniversary of such date (such date and each annual anniversary thereof shall be hereinafter referred to as the "Renewal Date"), unless previously terminated, the Employment Period shall be automatically extended so as to terminate three (3) years after such Renewal Date, unless at least sixty (60) days prior to the Renewal Date the Company shall give notice to the Executive that the Employment Period shall not be so extended.

(n) "Entity" shall mean any corporation, partnership, association, joint-stock company, limited liability company, trust, unincorporated organization or other business entity.

(o) "ERP" shall mean the Weatherford International Ltd. Nonqualified Executive Retirement Plan, as amended and restated effective December 31, 2008, as it may be amended from time to time.

(p) "Exchange Act" shall mean the U.S. Securities Exchange Act of 1934, as amended from time to time.

(q) "Good Reason" shall mean the occurrence of any of the following:

(i) the assignment to the Executive of any position, authority, duties or responsibilities inconsistent with the Executive's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by Section 3(a), or any other action by the Company or any Subsidiary which results in a diminution in such position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Executive;

(ii) any failure by the Company or any Subsidiary to comply with any of the provisions of this Agreement (including, without limitation, its obligations under Section 3(a)), other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and which is remedied by the Company, or a Subsidiary, as appropriate, promptly after receipt of notice thereof given by the Executive;

(iii) any failure by the Company or any Subsidiary to continue to provide the Executive with benefits currently enjoyed by the Executive under any of the Company's or any Subsidiary's compensation, bonus, retirement, pension, savings, life insurance, medical, health and accident, or disability plans, or the taking of any other action by the Company which would directly or indirectly reduce any of such benefits or deprive the Executive of any fringe benefits or perquisites currently enjoyed by the Executive;

(iv) the Company's requiring the Executive to be based at any office or location other than as provided in Section 3(a)(i) or the Company's requiring the Executive to travel to a substantially greater extent than required immediately prior to the date hereof;

(v) any purported termination by the Company of the Executive's employment (including, without limitation, any secondment of the Executive without the Executive's prior express agreement in writing);

(vi) any failure by the Company to comply with and satisfy Section 12(c); or

(vii) the giving of notice to the Executive that the Employment Period shall not be extended.

In the event of a Change of Control or other Corporate Transaction in which the Company's registered shares may cease to be publicly traded, following the Change of Control or the consummation of such other Corporate Transaction, "Good Reason" shall be deemed to exist upon the occurrence of any of the events listed in clauses (i) through (vii) above and also in the event Executive is assigned to any position (including status, offices, titles and reporting requirements), authority, duties or responsibilities that are (A) not at or with the publicly-traded ultimate parent company of the successor to the Company or the corporation or other Entity surviving or resulting from such Corporate Transaction or (B) inconsistent with the Executive's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by Section 3(a).

For purposes of this Agreement, any good faith determination of "Good Reason" made by the Executive shall be conclusive.

(r) "IRS" shall mean the U.S. Internal Revenue Service.

(s) "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its Subsidiaries, (ii) a trustee or other fiduciary holding securities under a Benefit Plan of the Company or any of its Affiliated companies, (iii) an underwriter temporarily holding securities pursuant to an offering by the Company of such securities, or (iv) a corporation or other Entity owned, directly or indirectly, by the shareholders of the Company in the same proportions as their ownership of registered shares of the Company.

(t) "Section 409A" means Section 409A of the Code and the final Department of Treasury regulations issued thereunder.

(u) "Section 409A Amounts" means those amounts that are deferred compensation subject to Section 409A.

(v) "Separation From Service" shall have the meaning ascribed to such term in Section 409A.

(w) "Specified Employee" shall have the meaning ascribed to such term in Section 409A.

(x) "SERP" shall mean the Weatherford International, Inc. Supplemental Executive Retirement Plan effective January 1, 2010, as it may be amended from time to time.

(y) "Subsidiary" shall mean any majority-owned subsidiary of the Company or any majority-owned subsidiary thereof, or any other Entity in which the Company owns, directly or indirectly, a significant financial interest provided that the Chief Executive Officer of the Company designates such Entity to be a Subsidiary for the purposes of this Agreement.

2. Employment Period. The Company hereby agrees that the Company will continue the Executive in its employ, and the Executive hereby agrees to remain in the employ of the Company subject to the terms and conditions of this Agreement during the Employment Period. During the Employment Period, the Executive, with his prior express agreement, may be seconded to the employment of Weatherford U.S., L.P. (or such other Affiliated company as specifically agreed by the Executive) (the "Seconded Affiliate Company"), but without prejudice to the Company's obligations or the Executive's rights under this Agreement. The Executive shall carry out his duties as if they were duties to be performed on behalf of the Company. Each Seconded Affiliate Company shall be subject to all of the obligations and agreements of the Company under this Agreement and the Company shall be responsible for actions and inactions of the Seconded Affiliate Company. Any breach or failure to abide by the terms and conditions of this Agreement by a Seconded Affiliate Company shall be deemed to constitute a breach or failure to abide by the Company. The Executive has the right, in his sole discretion, to revoke his agreement to be seconded to the employment of any Seconded Affiliate Company at any time.

3. Terms of Employment.

(a) Position and Duties.

(i) During the Employment Period, (A) the Executive's position with the Company (including status, offices, titles, reporting requirements, authority, duties and responsibilities) shall be as identified on the signature page hereto, (B) the Executive's services shall be performed at the Company's office identified on the signature page hereto (or other locations less than thirty-five (35) miles from such location); and (C) the Executive will report directly to the position identified on the signature page hereto.

(ii) During the Employment Period, and excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Company and, to the extent necessary to discharge the responsibilities assigned to the Executive hereunder, to use the Executive's reasonable best efforts to perform faithfully and efficiently such responsibilities. During the Employment Period it shall not be a violation of this Agreement for the Executive to (A) serve on corporate, civic or charitable boards or committees, (B) deliver lectures, fulfill speaking engagements or teach at educational institutions and (C) manage personal investments, so long as such activities in clause (A), (B), and (C) together do not significantly interfere with the performance of the Executive's responsibilities as an employee of the Company in accordance with this Agreement. It is expressly understood and agreed that to the extent that such activities have been conducted by the Executive prior to the date hereof, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the date hereof shall not thereafter be deemed to interfere with the performance of the Executive's responsibilities to the Company.

(b) Compensation.

(i) Base Salary. During the Employment Period, the Executive shall receive an annual base salary equal to the current base salary being received by the Executive ("Annual Base Salary"), which shall be paid at a monthly rate. During the Employment Period, the Annual Base Salary shall be reviewed no more than twelve (12) months after the last salary increase awarded to the Executive prior to the date hereof and thereafter at least annually; provided, however, that a salary increase shall not necessarily be awarded as a result of such review. Any increase in Annual Base Salary may not serve to limit or reduce any other obligation to the Executive under this Agreement. Annual Base Salary shall not be reduced after any such increase. The term "Annual Base Salary" as utilized in this Agreement shall refer to Annual Base Salary as so increased.

(ii) Annual Bonus. The Executive shall be eligible for an Annual Bonus for each fiscal year ending during the Employment Period on the same basis as other executive officers under the Company's then-current executive officer annual incentive program. Each such Annual Bonus shall be paid no later than two and a half (2½) months after the end of the fiscal year for which the Annual Bonus is awarded.

(iii) Incentive, Savings and Retirement Plans. During the Employment Period, the Executive shall be entitled to participate in all incentive, savings and retirement plans, practices, policies and programs applicable generally to all executive officers of the Company and its Affiliated companies, but in no event shall such plans, practices, policies and programs provide the Executive with incentive opportunities (measured with respect to both regular and special incentive opportunities, to the extent, if any, that such distinction is applicable), savings opportunities and retirement benefit opportunities, in each case, less favorable, in the aggregate, than the most favorable of those provided by the Company and its Affiliated companies for the Executive under such plans, practices, policies and programs as in effect on the date hereof.

(iv) Welfare Benefit Plans. During the Employment Period, the Executive and/or the Executive's family, as the case may be, shall be eligible to participate in and shall receive all benefits

under welfare benefit and retirement plans, practices, policies and programs provided by the Company and its Affiliated companies (including, without limitation, medical, prescription, dental, disability, salary continuance, employee life, group life, accidental death and travel accident insurance plans and programs) to the extent applicable generally to all executive officers of the Company and its Affiliated companies, but in no event shall such plans, practices, policies and programs provide the Executive with benefits which are less favorable, in the aggregate, than the most favorable of those provided by the Company and its Affiliated companies for the Executive under than such plans, practices, policies and programs of the Company and its Affiliated companies in effect for the Executive on the date hereof.

(v) Fringe Benefits. During the Employment Period, the Executive shall be entitled to (A) at Executive's option, a monthly car allowance or use of an automobile, and (B) such other fringe benefits (including, without limitation, payment of club dues, financial planning services, cellular telephone, mobile email, annual physical examinations, payment of professional fees and professional taxes and payment of related expenses, as appropriate) in accordance with the most favorable plans, practices, programs and policies of the Company and its Affiliated companies in effect for the Executive on the date hereof.

(vi) Expenses. During the Employment Period, the Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive in accordance with the most favorable policies, practices and procedures of the Company and its Affiliated companies in effect for the Executive on the date hereof.

(vii) Vacation. During the Employment Period, the Executive shall be entitled to at least four (4) weeks paid vacation or such greater amount of paid vacation as may be applicable to the executive officers of the Company and its Affiliated companies.

(viii) Deferred Compensation Plan. During the Employment Period, the Executive shall be entitled to continue to participate in any deferred compensation or similar plans in which executive officers of the Company and its Affiliated companies participate.

(c) Termination of Prior Agreements. The Executive acknowledges and agrees that this Agreement is being executed in replacement of any and all employment agreements existing between the Executive and the Company (including, without limitation, any agreement entered into with Weatherford International Ltd., an exempted company incorporated with limited liability under the laws of Bermuda, that was assumed by the Company), Weatherford International, Inc., a Delaware corporation, or their Affiliated companies (the "Prior Agreements"). As a result, the Executive and the Company agree that the Prior Agreements are hereby terminated and of no further force and effect (other than provisions in the Prior Agreements expressly intended to survive pursuant to their terms). **Specifically, the Executive agrees that any requirement in any Prior Agreement that the Company or any Affiliated company enter into an employment or other agreement with the Executive (or provide any benefits, including under retirement plans) meeting any minimum standards by a certain date is satisfied by the execution and delivery of this Agreement (subject to Section 13(g)).**

4. Termination of Employment.

(a) Death or Disability. The Executive's employment shall terminate automatically upon the Executive's death during the Employment Period. If the Company determines in good faith that the Disability of the Executive has occurred during the Employment Period, it may provide the Executive with written notice in accordance with Section 13(b) of its intention to terminate the Executive's employment. In such event, the Executive's employment with the Company shall terminate effective thirty (30) days after receipt of such notice by the Executive (the "Disability Effective Date"), provided

that within the thirty (30)-day period after such receipt, the Executive shall not have returned to full-time performance of the Executive's duties. In addition, if a physician selected by the Executive determines that the Disability of the Executive has occurred, the Executive (or his representative) may provide the Company with written notice in accordance with Section 13(b) of the Executive's intention to terminate his employment. In such event, the Disability Effective Date shall be thirty (30) days after receipt of such notice by the Company.

(b) Cause. The Company may terminate the Executive's employment during the Employment Period for Cause.

(c) Good Reason. The Executive's employment may be terminated by the Executive at any time during the Employment Period for Good Reason.

(d) Notice of Termination. Any termination during the Employment Period by the Company for Cause, or by the Executive for Good Reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 13(b). For purposes of this Agreement, a "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated and (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date, in the case of a notice by the Company, shall be not more than thirty (30) days after the giving of such notice). The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of the Executive or the Company, respectively, from asserting such fact or circumstance in enforcing the Executive's or the Company's rights hereunder.

(e) Date of Termination. "Date of Termination" shall mean:

(i) if the Executive's employment is terminated by the Company for Cause, or by the Executive for Good Reason, the date of receipt of the Notice of Termination or any later date specified therein, as the case may be;

(ii) if the Executive's employment is terminated by the Company other than for Cause, the Date of Termination shall be the date on which the Executive receives notice of such termination; and

(iii) if the Executive's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of the Executive or the Disability Effective Date, as the case may be.

5. Obligations of the Company Upon Termination.

(a) Benefit Obligation and Accrued Obligation Defined. For purposes of this Agreement, "Benefit Obligation" shall mean all benefits to which the Executive (or his designated beneficiary or legal representative, as applicable) is entitled or vested (or becomes entitled or vested as a result of termination) under the terms of all employee benefit and compensation plans, agreements, arrangements, programs, policies, practices, contracts or agreement of the Company and its Affiliated companies (collectively, "Benefit Plans") in which the Executive is a participant as of the Date of Termination and to the extent not theretofore paid or provided. "Accrued Obligation" means the sum of (i) the Executive's Annual Base Salary through the Date of Termination for periods through but not following his Separation From

Service and (ii) any accrued vacation pay earned by the Executive, in each case, to the extent not theretofore paid.

(b) Death, Disability, Good Reason or Other than For Cause. If, during the Employment Period, the Executive's employment is terminated by reason of the Executive's death or Disability, by the Company for any reason other than for Cause or by the Executive for Good Reason:

(i) The Company shall pay (or cause to be paid) to the Executive (or Executive's heirs, beneficiaries or representatives as applicable), (A) in a lump sum in cash (I) the Accrued Obligation within thirty (30) days after the Date of Termination and (II) the Benefit Obligation at the times specified in and in accordance with the terms of the applicable Benefit Plans, and (B) at the times specified in clause (ix), the following amounts:

(I) an amount equal to the Executive's Annual Base Salary through the Date of Termination for periods following his Separation From Service to the extent not theretofore paid;

(II) an amount equal to the product of (i) the higher of (x) the highest Annual Bonus Amount for the preceding five (5) calendar years and (y) the Annual Bonus Amount that would be payable in respect of the current fiscal year (and annualized for any fiscal year consisting of less than twelve (12) months) (such higher amount being referred to as the "Highest Annual Bonus") and (ii) a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is three hundred sixty-five (365);

(III) an amount equal to the Applicable Multiple times the sum of (i) the highest Annual Base Salary received by the Executive in the last five (5) years ended prior to the Termination Date and (ii) the Highest Annual Bonus;

(IV) an amount equal to the Applicable Multiple times the sum of (i) the total of the employer basic and matching contributions credited to the Executive under the Company's 401(k) Savings Plan (the "401(k) Plan") during the twelve (12)-month period immediately preceding the month of the Executive's Date of Termination, and (ii) the amount that would have been credited and contributed to the Executive and his accounts under all other deferred compensation plans (excluding amounts payable under the ERP and the SERP, if any) using the amounts specified in clauses (i) and (ii) of Section 5(b)(i)(III), such total amount to be grossed up so that the amount the Executive actually receives after payment of any federal or state taxes payable thereon equals the amount first described above; and

(V) an amount equal to the total value of all fringe benefits received by the Executive on an annualized basis multiplied by the Applicable Multiple.

(ii) For a period of equal to one year multiplied by the Applicable Multiple from the Executive's Date of Termination, or such longer period as may be provided by the terms of the appropriate plan, program, practice or policy, the Company shall continue benefits to the Executive and the Executive's family equal to those which would have been provided to them in accordance with the plans, programs, practices and policies described in Section 3(b)(iv) if the Executive's employment had not been terminated; provided, however, that with respect to any of such plans, programs, practices or policies requiring an employee contribution, the Executive (or Executive's heirs or beneficiaries as applicable) shall continue to pay the monthly employee contribution for same, and provided further, that if the Executive becomes re-employed by another employer and is eligible to receive medical or other welfare benefits under another employer provided plan, the medical and other welfare benefits described herein shall be secondary to those provided under such other plan during such applicable period of

eligibility. If any of the dental, accident, health insurance or other benefits specified in this Section 5(b)(ii) are taxable to the Executive and are not exempt from Section 409A, the following provisions shall apply to the reimbursement or provision of such benefits. The Executive shall be eligible for reimbursement for covered welfare expenses, or for the provision of such benefits on an in-kind basis, during the period commencing on Executive's Date of Termination and ending on the third anniversary of such date. The amount of such welfare benefit expenses eligible for reimbursement or the in-kind benefits provided under this Section 5(b)(ii), during the Executive's taxable year will not affect the expenses eligible for reimbursement, or the benefits to be provided, in any other taxable year (with the exception of applicable lifetime maximums applicable to medical expenses or medical benefits described in Section 105(b) of the Code). The Executive's right to reimbursement or direct provision of benefits under this Section 5(b)(ii) is not subject to liquidation or exchange for another benefit. To the extent that the benefits provided to the Executive pursuant to this Section 5(b)(ii) are taxable to the Executive and are not otherwise exempt from Section 409A, any reimbursement amounts to which the Executive would otherwise be entitled under this Section 5(b)(ii) during the first six (6) months following the date of the Executive's Separation From Service shall be accumulated and paid to the Executive on the date that is six (6) months following the date of his Separation From Service. All reimbursements by the Company under this Section 5(b)(ii) shall be paid no later than the earlier of (i) the time periods described above and (ii) the last day of the Executive's taxable year following the taxable year in which the expense was incurred by the Executive.

(iii) All benefits and amounts under the Company's deferred compensation plan and all other Benefit Plans (except as specifically provided for in Section 6(b)), not already vested shall become immediately one hundred percent (100%) vested as of the Date of Termination. All options to acquire registered shares of the Company, all restricted registered shares of the Company, all restricted stock units, and all share appreciation rights the value of which is determined by reference to or based upon the value of registered shares of the Company, held by the Executive under any plan of the Company or its Affiliated companies shall become immediately vested, exercisable and nonforfeitable. The effect, if any, of a Change of Control on any other equity incentives and other awards the value of which is determined by reference to or based upon the value of registered shares of the Company shall be determined in accordance with the terms of the applicable award agreement.

(iv) The Company shall, at its sole expense as incurred, provide the Executive with reasonable outplacement services from a provider selected by the Executive in his sole discretion. The Company shall directly pay the provider the fees for such outplacement services. The period during which such outplacement services shall be provided to the Executive at the expense of the Company shall not extend beyond the last day of the second taxable year of the Executive following the taxable year of the Executive during which he incurs a Separation From Service.

(v) At the time specified in clause (ix) below, ownership of all country club memberships, luncheon clubs and other memberships which the Company was providing for the Executive's or his family's use prior to the time that the Notice of Termination is given shall be transferred and assigned to the Executive at no cost to the Executive (other than ordinary income taxes owed), the cost of transfer, if any, to be borne by the Company.

(vi) At the time specified in clause (ix) below, the Company shall either transfer to the Executive ownership and title to the Executive's company car at no cost (other than ordinary income taxes owed by the Executive) to the Executive or, if the Executive receives a monthly car allowance in lieu of a Company car, pay the Executive a lump sum in cash equal to the Executive's annual car allowance multiplied by the Applicable Multiple.

(vii) If the Executive's employment is terminated by reason of the Executive's death, the Benefit Obligation shall also include, without limitation, and the Executive's estate and/or beneficiaries shall be entitled to receive, benefits at least equal to the most favorable benefits provided by the Company and its Affiliated companies to the estates and beneficiaries of the executive officers of the Company and such Affiliated companies under such plans, programs, practices and policies relating to death benefits, if any, in effect on the date hereof or, if more favorable, those in effect on the date of the Executive's death.

(viii) If the Executive's employment is terminated by reason of the Executive's Disability, the Benefit Obligation shall also include, without limitation, and the Executive shall be entitled after the Disability Effective Date to receive, disability and other benefits at least equal to the most favorable benefits generally provided by the Company and its Affiliated companies to the Executive's disabled peer executive officers and/or their families in accordance with such plans, programs, practices and policies relating to disability, if any, in effect generally on the date hereof or, if more favorable, those in effect at the time of the Disability.

(ix) The Company shall pay or provide to the Executive the amounts or benefits specified in Section 5(b)(i) and Sections 5(b)(v) and 5(b)(vi) thirty (30) days following the date of the Executive's Separation From Service if he is not a Specified Employee on the date of his Separation From Service or on the date that is six (6) months following the date of his Separation From Service if he is a Specified Employee.

(x) If the Executive is a Specified Employee, on the date that is six (6) months following the Executive's Separation From Service, the Company shall pay to the Executive, in addition to the amounts reflected in clause (ix), an amount equal to the interest that would be earned on the amounts specified in Section 5(b)(i) and, to the extent subject to a mandatory six-month delay in payment, all amounts payable under the ERP and the SERP, if any, for the period commencing on the date of the Executive's Separation From Service until the date of payment of such amounts, calculated using an interest rate of five percent (5%) per annum (the "Interest Amount").

(c) Cause. If the Executive's employment is terminated for Cause during and prior to the expiration of the Employment Period, this Agreement shall terminate without further obligations to the Executive, other than the obligation to pay to the Executive (i) (A) the Accrued Obligation and (B) the Benefit Obligation in accordance with the terms of the applicable Benefit Plans, and (ii) his Annual Base Salary through the Date of Termination for periods following his Separation From Service on the date that is thirty (30) days following the date of the Executive's Separation From Service if he is not a Specified Employee or on the date that is six (6) months following the date of his Separation From Service if he is a Specified Employee.

(d) Termination by Executive Other Than for Good Reason. If the Executive voluntarily terminates his employment during and prior to the expiration of the Employment Period for any reason other than for Good Reason, the Executive's employment shall terminate without further obligations to the Executive, other than the obligation to pay to the Executive (i) the Accrued Obligation, (ii) the Benefit Obligation, (iii) his Annual Base Salary through the Date of Termination for periods following his Separation From Service, and (iv) the rights provided in Section 6. The Accrued Obligation shall be paid to the Executive in a lump sum in cash within thirty (30) days after the Date of Termination and the Benefit Obligation shall be paid in accordance with the terms of the applicable Benefit Plans. The Company shall pay to the Executive the amount specified in clause (iii) on the date that is thirty (30) days following the date of the Executive's Separation From Service if he is not a Specified Employee or on the

date that is six (6) months following the date of his Separation From Service if he is a Specified Employee.

6. Other Rights.

(a) Except as provided herein, nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any plan, program, policy or practice provided by the Company or any of its Affiliated companies and for which the Executive may qualify, nor shall anything herein limit or otherwise affect such rights as the Executive may have under any plan, contract or agreement with the Company or any of its Affiliated companies. Except as otherwise expressly provided herein, amounts which are vested benefits, which vest according to the terms of this Agreement or which the Executive is otherwise entitled to receive under any Benefit Plans or any other plan, policy, practice or program of or any contract or agreement with the Company or any of its Affiliated companies prior to, at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice, program, contract or agreement. If any severance payments are required to be paid to the Executive in conjunction with severance of employment under federal, state or local law, the severance payments paid to the Executive under this Agreement will be deemed to be in satisfaction of any such statutorily required benefit obligations to the extent that doing so would not result in an acceleration of payment of nonqualified deferred compensation that is prohibited under Section 409A.

(b) Solely with respect to the ERP and the SERP, if the Executive's employment is terminated for any reason whatsoever, with or without Cause, and no Change of Control has occurred or is pending, any ERP or SERP benefits payable shall only be those that are payable, if any, under the terms of the ERP or SERP as of the Date of Termination.

7. Full Settlement.

(a) No Rights of Offset. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Executive or others.

(b) No Mitigation Required. The Company agrees that, if the Executive's employment with the Company terminates, the Executive is not required to seek other employment or to attempt in any way to reduce any amounts payable to the Executive by the Company pursuant to this Agreement. Further, except as specified in Section 5(b)(ii), the amount of any payment or benefit provided for in this Agreement shall not be reduced by any compensation earned by the Executive as the result of employment by another employer, by retirement benefits, by offset against any amount claimed to be owed by the Executive to the Company, or otherwise.

(c) Legal Fees. The Company agrees to pay promptly as incurred, to the full extent permitted by law, all legal fees and expenses which the Executive may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Company or the Executive of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereto (including as a result of any contest by the Executive about the amount of any payment pursuant to this Agreement). The legal fees or expenses that are subject to reimbursement pursuant to this Section 7(c) shall not be limited as a result of when the fees or expenses are incurred. The amount of legal fees or expenses that is eligible for reimbursement pursuant to this Section 7(c) during a given taxable year of the Executive shall not affect the amount of expenses eligible for reimbursement in any other taxable year of the Executive. The right to reimbursement pursuant to this Section 7(c) is not subject to liquidation or exchange for another benefit. Any amount to which the Executive is entitled to reimbursement under this

Section 7(c) during the first six (6) months following the date of the Executive's Separation From Service shall be accumulated and paid to the Executive on the date that is six (6) months following the date of his Separation From Service. All reimbursements by the Company under this Section 7(c) shall be paid no later than the earlier of (i) the time periods described above and (ii) the last day of the Executive's taxable year next following the taxable year in which the expense was incurred by the Executive.

8. Certain Additional Payments by the Company.

(a) Anything in this Agreement to the contrary notwithstanding, if it shall be determined that any payment or distribution by the Company or any of its Affiliated companies to or for the benefit of the Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement, any other plan, agreement or contract or otherwise, but determined without regard to any additional payments required under this Section 8) (a "Payment") would be subject to any additional tax or excise tax imposed by Sections 409A, 457A or 4999 of the Code (and any successor provisions or sections to Sections 409A, 457A and 4999) or any interest or penalties are incurred by the Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to promptly receive from the Company an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments. Any Gross Up Payment shall be made by the Company at least ten (10) days prior to the date that the Executive is required to remit to the relevant taxing authority any federal, state and local taxes imposed upon the Executive, including the amount of additional taxes imposed upon the Executive due to the Company's payment of the initial taxes on such amounts. Notwithstanding any provision of this Agreement to the contrary, any amounts to which the Executive would otherwise be entitled under this Section 8(a) during the first six (6) months following the date of the Executive's Separation From Service shall be accumulated and paid to the Executive on the date that is six (6) months following the date of his Separation From Service. All reimbursements by the Company under this Section 8(a) be paid no later than the earlier of (i) the time periods described above and (ii) the last day of the Executive's taxable year next following the taxable year in which the expense was incurred by the Executive.

(b) Subject to the provisions of Section 8(c), all determinations required to be made under this Section 8, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination shall be made by PricewaterhouseCoopers or, as provided below, such other certified public accounting firm as may be designated by the Executive (the "Accounting Firm") which shall provide detailed supporting calculations both to the Company and the Executive within fifteen (15) business days after the receipt of notice from the Executive that there has been a Payment, or such earlier time as is requested by the Company. In the event that the Accounting Firm is serving as accountant or auditor for the individual, Entity or group effecting the Change of Control, the Executive shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any Gross-Up Payment, as determined pursuant to this Section 8, shall be paid by the Company to the Executive within five (5) days after the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm, absent manifest error, shall be binding upon the Company and the Executive, subject to the last sentence of Section 8(a), and in no event later than the payment deadline specified in Section 8(a). As a result of the uncertainty in the application of section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by the Company should have been made ("Underpayment"),

consistent with the calculations required to be made hereunder. In the event that the Company exhausts its remedies pursuant to Section 8(c) and the Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Company to or for the benefit of the Executive, subject to the last sentence of Section 8(a), and in no event later than the payment deadline specified in Section 8(a).

(c) The Executive shall notify the Company in writing of any claim by the IRS that, if successful, would require the payment by the Company of the Gross-Up Payment (or an additional Gross-Up Payment) in the event the IRS seeks higher payment. Such notification shall be given as soon as practicable, but no later than ten (10) business days after the Executive is informed in writing of such claim, and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. The Executive shall not pay such claim prior to the expiration of the thirty (30)-day period following the date on which he gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies the Executive in writing prior to the expiration of such period that it desires to contest such claim, the Executive shall:

(i) give the Company any information reasonably requested by the Company relating to such claim;

(ii) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company;

(iii) cooperate with the Company in good faith in order to effectively contest such claim; and

(iv) permit the Company to participate in any proceedings relating to such claims; provided, however, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred at any time during the period that ends ten (10) years following the lifetime of the Executive in connection with such proceedings and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 8(c), the Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forego any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Executive agrees to prosecute such contest to determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided, however, that if the Company directs the Executive to pay such claim and sue for a refund, the Company shall advance the amount of such payment to the Executive, on an interest-free basis and shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. The Company shall not direct the Executive to pay such a claim and sue for a refund if, due to the prohibitions of section 402 of the Sarbanes-Oxley Act of 2002, the Company may not advance to the Executive the amount necessary to pay such claim. All such costs and expenses shall be made by the Company at least ten (10) days prior to the date that the Executive is

required to pay or incur such costs and expenses. The costs and expenses that are subject to be paid by the Company pursuant to this Section 8(c) shall not be limited as a result of when the costs or expenses are incurred. The amounts of costs or expenses that are eligible for payment pursuant to this Section 8(c)(iv) during a given taxable year of the Executive shall not affect the amount of costs or expenses eligible for payment in any other taxable year of the Executive. The right to payment of costs and expenses pursuant to this Section 8(c)(iv) is not subject to liquidation or exchange for another benefit. Notwithstanding any provision of this Agreement to the contrary, any amounts to which the Executive would otherwise be entitled under this Section 8(c)(iv) during the first six (6) months following the date of the Executive's Separation From Service shall be accumulated and paid to the Executive on the date that is six (6) months following the date of his Separation From Service. All reimbursements by the Company under this Section 8(c)(iv) shall be paid no later than the earlier of (i) the time periods described above and (ii) the last day of the Executive's taxable year next following the taxable year in which the expense was incurred by the Executive.

(d) If, after the receipt by the Executive of an amount advanced by the Company pursuant to Section 8(c), the Executive becomes entitled to receive any refund with respect to such claim, the Executive shall (subject to the Company's complying with the requirements of Section 8(c)) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Executive of an amount advanced by the Company pursuant to Section 8(c), a determination is made that the Executive shall not be entitled to any refund with respect to such claim and the Company does not notify the Executive in writing of its intent to contest such denial of refund prior to the expiration of thirty (30) days after such determination, then such advance shall not be required to be repaid.

(e) Any provision in this Agreement or any other plan or agreement to the contrary notwithstanding, if the Company is required to pay a Gross-Up Payment pursuant to the provisions of this Agreement and pursuant to the provisions of another plan or agreement, then the Company shall pay the total of the amounts determined pursuant to this Agreement and the provisions of such other plan or agreement.

9. Confidential Information. The Executive shall hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data relating to the Company or any of its Affiliated companies, and their respective businesses, which shall have been obtained by the Executive during the Executive's employment by the Company or any of its Affiliated companies, provided that it shall not apply to information which is or shall become public knowledge (other than by acts by the Executive or representatives of the Executive in violation of this Agreement), information that is developed by the Executive independently of such information, or knowledge or data or information that is disclosed to the Executive by a third party under no obligation of confidentiality to the Company. After termination of the Executive's employment with the Company, the Executive shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Company and those designated by it. In no event shall an asserted violation of the provision of this Section 9 constitute a basis for deferring or withholding any amounts otherwise payable to the Executive under this Agreement.

10. Disputed Payments And Failures To Pay. If the Company fails to make a payment under this Agreement in whole or in part as of the payment date specified in this Agreement, either intentionally or unintentionally, other than with the consent of the Executive, the Company shall owe the Executive interest on the delayed payment at the applicable Federal rate provided for in section 7872(f)(2)(A) of the Code if the Executive (i) accepts the portion (if any) of the payment that the Company is willing to make (unless such acceptance will result in a relinquishment of the claim to all or part of the remaining amount) and (ii) makes prompt and reasonable good faith efforts to collect the remaining portion of the payment.

Any such interest payments shall become due and payable effective as of the applicable payment date(s) specified in Section 5 with respect to the delinquent payment(s) due under Section 5.

11. Funding. The Executive shall have no right, title, or interest whatsoever in or to any assets of the Company or any investments which the Company may make to aid it in meeting its obligations under this Agreement. The Executive's right to receive payments under this Agreement shall be no greater than the right of an unsecured general creditor of the Company. Immediately prior to a Change in Control, the Company shall create an irrevocable grantor trust (the "Rabbi Trust") which shall be subject to the claims of creditors of the Company. In the event that the Executive is a Specified Employee at the time he incurs a Separation From Service or at the time the Company determines that it is reasonably likely that the Executive will incur a Separation From Service in connection with a Change in Control, then immediately upon the Executive's Separation From Service or, if earlier, the date on which the Company makes a determination that the Executive is reasonably likely to incur a Separation From Services in connection with a Change in Control, the Company shall transfer to the Rabbi Trust cash sufficient (on an undiscounted basis) to pay the cash amounts specified in Section 5(b)(i), the estimated amount of the Gross-Up Payment to be made under Section 6 and the Interest Amount. The cash amounts specified in Section 5(b)(i), the Gross-Up Payment and the Interest Amount shall be paid from the Rabbi Trust on the dates specified in Sections 5 and 8 herein, provided that the Company shall remain liable to pay any all amounts which for any reason are not paid from the Rabbi Trust. The trustee of the Rabbi Trust shall be a bank or trust company selected by the Company and approved by the Executive (in his sole discretion) prior to the Change in Control.

12. Successors.

(a) This Agreement is personal to the Executive and shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) In addition to any obligations imposed by law upon any successor to the Company, the Company will require any successor (whether direct or indirect, by purchase, merger, consolidation, amalgamation, scheme of arrangement, exchange offer, operation of law or otherwise (including any purchase, merger, amalgamation, Corporate Transaction or other transaction involving the Company or any Subsidiary or Affiliate of the Company)), to all or substantially all of the Company's business and/or Company's Assets to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such assumption and agreement at or prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle the Executive to compensation from the Company in the same amount and on the same terms as the Executive would be entitled to hereunder if the Executive were to terminate the Executive's employment for Good Reason after a Change of Control, except that, for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the Date of Termination. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as provided above.

13. Miscellaneous.

(a) THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE DOMICILE OF THE EXECUTIVE, WITHOUT REFERENCE TO PRINCIPLES OF CONFLICT OF LAWS. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. All words used in this Agreement will be construed to be of such gender or number as the circumstances require. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(b) All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed: if to the Executive, to the address set forth on the signature page hereto; and, if to the Company, to: Weatherford International Ltd., Rue Jean-François Bartholoni 4, 1204 Geneva, Switzerland, Attention: Vice President — Legal; or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notices and communications shall be effective when actually received by the addressee.

(c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(d) The Company may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(e) The Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right to the Executive or the Company may have hereunder, including without limitation, the right of the Executive to terminate employment for Good Reason shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(f) This Agreement constitutes the entire agreement and understanding between the parties relating to the subject matter hereof and supersedes all prior agreements between the Company, any of its Affiliates and the Executive relating to the subject matter hereof, including, without limitation, the Prior Agreements. In the event of any conflict between this Agreement and any other contract, plan, arrangement or understanding between the Executive and the Company (or any Affiliate of the Company), this Agreement shall control.

(g) By entering into this Agreement, it is the Company's intent to fulfill its obligation to the Executive to agree, execute and enter into an agreement with the Executive prior to the termination or expiration of the Executive's current employment agreements with the Company and Weatherford International, Inc., a Delaware corporation, having the same terms and conditions as existed in such agreements prior to December 30, 2008, and incorporating such terms and conditions that are more favorable to the Executive from all agreements existing on January 1, 2009, and the Executive is entering into this Agreement in reliance thereon. In furtherance of the foregoing, during the 90-day period from the Effective Date either party may propose, and the other party shall agree to, any reasonable amendments to this Agreement for the purpose of clarifying or revising any provision(s) herein as may be appropriate to implement the intent expressed in this clause (g). Failure or refusal of the Company to enter into any reasonable amendment proposed under this clause (g) by the end of such 90-day period (or, if later, within 10 days following the Company's receipt of written notice requesting such reasonable amendment) shall constitute Good Reason.

(h) If the Executive accepts in writing an international assignment to Geneva, Switzerland, then (i) the office referenced in Section 3(a)(i)(B) of this Agreement shall be the Company's executive office in Geneva, Switzerland, and (ii) the provisions of this Agreement will be applied, to the fullest extent possible, in accordance with the employment laws of Switzerland, and nothing herein is intended to reduce or diminish the protections afforded by such laws.

(Remainder of page intentionally left blank)

IN WITNESS WHEREOF, the Executive has hereunto set the Executive's hand and, pursuant to the authorization from the Board or relevant committee thereof, the Company has caused these presents to be executed in its name and on its behalf, all as of the day and year set forth below.

Date: December _____, 2009

Applicable Multiple: **[two (2) / three (3)]**

Position:

[Executive]

Weatherford International Ltd.,
a Swiss joint-stock corporation

Reporting to:

By:

Bernard J. Duroc-Danner
Title: Chairman and CEO

Primary office location:

Solely for purposes of acknowledging the Prior Agreements being superseded by this Agreement and the termination of the Prior Agreements:

Weatherford International Ltd.,
a Bermuda exempted company

Address for notices to Executive:

By:

Name: Bernard J. Duroc-Danner
Title: Chairman and CEO

Weatherford International, Inc.,
a Delaware corporation

By:

Name: Bernard J. Duroc-Danner
Title: Chairman and CEO

**WEATHERFORD INTERNATIONAL LTD.
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN**

(Effective January 1, 2010)

1. **Establishment and Purpose of Plan.** Weatherford International Ltd. establishes the Weatherford International Ltd. Supplemental Executive Retirement Plan (the "Plan") effective as of January 1, 2010, in recognition of the valuable services heretofore performed for it by Eligible Employees and to encourage their continued employment.

2. **Definition of Terms.** The following words and phrases when used herein, unless the context clearly requires otherwise, shall have the following respective meanings:

(a) **Beneficiary:** The person or persons who may become entitled to a benefit hereunder in the case of a Participant's death in accordance with the Designation of Beneficiary Form last received by the Company or Subsidiary from the Participant prior to his or her death.

(b) **Board:** The Board of Directors of the Company.

(c) **Cause:** Shall mean:

(i) the willful and continued failure of the Participant to substantially perform the Participant's duties with the Company or a Subsidiary (other than any such failure resulting from incapacity due to physical or mental illness or anticipated failure after the issuance of a notice of termination for Good Reason by the Participant), after a written demand for substantial performance is delivered to the Participant by the Board which specifically identifies the manner in which the Participant has not substantially performed the Participant's duties, or

(ii) the willful engaging by the Participant in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Company or a Subsidiary.

No act, or failure to act, on the part of the Participant shall be considered "willful" unless it is done, or omitted to be done, by the Participant in bad faith or without reasonable belief that the Participant's action or omission was in the best interests of the Company or a Subsidiary. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of the CEO or of a more senior officer of the Company or based upon the advice of counsel for the Company (which may be the General Counsel or other counsel employed by the Company or its subsidiaries) shall be conclusively presumed to be done, or omitted to be done, by the Participant in good faith and in the best interests of the Company or a Subsidiary. The termination of employment of the Participant shall not be deemed to be for Cause unless and until there shall have been delivered to the Participant a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board at a meeting of the Board called and held for such purpose (after reasonable notice is provided to the Participant, and the Participant is given an opportunity, together with counsel, to be heard before the Board), finding that, in the good faith opinion of the Board, the Participant is guilty of the conduct described in subparagraph (i) or (ii) above, and specifying the particulars thereof in detail.

(d) **CEO:** The Chief Executive Officer of the Company.

(e) **Change of Control:** Shall be deemed to have occurred if any event set forth in any one of the following paragraphs shall have occurred or is pending:

(i) any Person is or becomes the Beneficial Owner (as defined in Rule 13d-3 under the U.S. Securities Exchange Act of 1934, as amended from time to time ("Exchange Act")), directly or indirectly, of 20 percent or more of either (A) the then outstanding common shares of the Company (the "Outstanding Company Common Shares") or (B) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"), excluding any Person who becomes such a Beneficial Owner in connection with a transaction that complies with clauses (A), (B) and (C) of paragraph (iii) below;

(ii) individuals, who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least two-thirds of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least two-thirds of the Incumbent Board shall be considered as though such individual was a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or any other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(iii) the consummation of a Corporate Transaction, unless, following such Corporate Transaction or series of related Corporate Transactions, as the case may be, (A) all of the individuals and entities (which, for purposes of the Plan, shall include, without limitation, any corporation, partnership, association, joint-stock company, limited liability company, trust, unincorporated organization or other business entity) who were the beneficial owners, respectively, of the Outstanding Company Common Shares and Outstanding Company Voting Securities immediately prior to such Corporate Transaction beneficially own, directly or indirectly, more than 66 2/3 percent of, respectively, the then outstanding common shares and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors (or other governing body), as the case may be, of the entity resulting from such Corporate Transaction (including, without limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company's Assets either directly or through one or more subsidiaries or entities) in substantially the same proportions as their ownership, immediately prior to such Corporate Transaction, of the Outstanding Company Common Shares and the Outstanding Company Voting Securities, as the case may be, (B) no Person (excluding any entity resulting from such Corporate Transaction or any employee benefit plan (or related trust) of the Company or such entity resulting from such Corporate Transaction) beneficially owns, directly or indirectly, 20 percent or more of, respectively, the then outstanding shares of common stock of the entity resulting from such Corporate Transaction or the combined voting power of the then outstanding voting securities of such entity except to the extent that such ownership existed prior to the Corporate Transaction and (C) at least two-thirds of the members of the board of directors or other governing body of the entity resulting from such Corporate Transaction were members of the Incumbent Board at the time of the approval of such Corporate Transaction; or

(iv) approval or adoption by the Board or the shareholders of the Company of a plan or proposal which could result directly or indirectly in the liquidation, transfer, sale or other disposal of all or substantially all of the Company's Assets or the dissolution of the Company.

(f) **Code:** The U.S. Internal Revenue Code of 1986, as amended.

(g) **Company:** Weatherford International Ltd., a Swiss joint-stock corporation registered in Switzerland, canton of Zug, and its Successors (as defined in Section 19).

(h) **Company's Assets:** Assets (of any kind) owned by the Company, including, without limitation, any securities of the Company's Subsidiaries and any of the assets owned by the Company's Subsidiaries.

(i) **Compensation:** The Participant's highest annual base salary paid for personal services rendered to the Company or a Subsidiary in the last five-year period ending on the applicable date, and shall specifically exclude all incentive compensation or bonuses paid or payable to such Participant. However, for purposes of the Plan, for any Eligible Employee who was also a participant in the ERP before February 6, 2008, Compensation shall mean the sum of (i) the Participant's highest annual base salary paid for personal services rendered to the Company or a Subsidiary in the last five-year period ending on the applicable date and increased for any amounts that the Eligible Employee could have received in cash in lieu of deferrals made pursuant to a cash or deferred arrangement or a cafeteria plan described in Section 125 of the Code, plus (ii) the target bonus amount potentially payable to a Participant under the Company's management incentive plan for such year or, if greater, the highest bonus (whether in cash or securities of the Company) earned by or paid or granted to the Participant during any one of the last five calendar years ended prior to the applicable date.

(j) **Corporate Transaction:** A reorganization, merger, amalgamation, scheme of arrangement, exchange offer, consolidation or similar transaction of the Company or any of its subsidiaries or the sale, transfer or other disposition of all or substantially all of the Company's Assets.

(k) **Disability:** The absence of the Participant from performance of the participant's duties with the Company on a substantial basis for 120 calendar days as a result of incapacity due to mental or physical illness.

(l) **Early Retirement Date:** The first day of the month coinciding with or next following the date on which the Participant retires from employment by the Company or a Subsidiary on or after attainment of age 55 and having at least 10 Years of Service.

(m) **Effective Date:** January 1, 2010.

(n) **Eligible Employee:** An individual who (i) is a member of a select group of management of the Company or a Subsidiary and (ii) is selected for participation in the Plan by the CEO.

(o) **Entity** means any corporation, partnership, association, joint-stock company, limited liability company, trust, unincorporated organization or other business entity.

(p) **ERISA** means the U.S. Employee Retirement Income Security Act of 1974, as amended.

(q) **ERP** means the Weatherford International Ltd. Nonqualified Executive Retirement Plan, as amended and restated effective December 31, 2008.

(r) **Good Reason:** The occurrence of any of the following:

(i) the assignment to the Participant of any position, authority, duties or responsibilities inconsistent with the Participant's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by any employment agreement between the Company or any Subsidiary and the Participant or as in effect prior to the assignment, or any other action by the Company or a Subsidiary which results in a diminution in such position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not

taken in bad faith and which is remedied by the Company or a Subsidiary promptly after receipt of notice thereof given by the Participant;

(ii) any failure by the Company or a Subsidiary to comply with any of the provisions of the Plan (including, without limitation, its obligations under any employment agreements between the Company or any Subsidiary and the Participant), other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and which is remedied by the Company or a Subsidiary promptly after receipt of notice thereof given by the Participant;

(iii) any failure by the Company or any Subsidiary to continue to provide the Participant with benefits currently enjoyed by the Participant under any of the Company's compensation, bonus, retirement, pension, savings, life insurance, medical, health and accident, or disability plans, or the taking of any other action by the Company or a Subsidiary which would directly or indirectly reduce any of such benefits or deprive the Participant of any fringe benefits or perquisites currently enjoyed by the Participant;

(iv) the Company's or a Subsidiary's requiring the Participant to be based at any office or location other than as provided in by any employment agreement between the Company or a Subsidiary and the Participant or the Company's or a Subsidiary's requiring the Participant to travel to a substantially greater extent than required immediately prior to the date hereof;

(v) any purported termination by the Company or a Subsidiary of the Participant's employment (including, without limitation, any secondment of the Participant to a Subsidiary without the Participant's prior express agreement in writing or as otherwise permitted under an employment agreement);

(vi) any failure by the Company to comply with and satisfy Section 17 of the Plan; or

(vii) in connection with, as a result of or following a Change of Control, the giving of notice to the Participant that his or her employment agreement with the Company or any Subsidiary shall not be extended or renewed.

In the event of a Change of Control or other Corporate Transaction in which the Company's common shares cease to be publicly traded, following such Change of Control or other Corporate Transaction "Good Reason" shall be deemed to exist upon the occurrence of any of the events listed in clauses (i) — (vii) above and also in the event Participant is assigned to any position (including status, offices, titles and reporting requirements), authority, duties or responsibilities that are (A) not at or with the publicly-traded ultimate parent company of the Successor to the Company or the corporation or other entity surviving or resulting from such Corporate Transaction or (B) inconsistent with the Participant's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by any employment agreement between the Company and the Participant or as in effect prior to the assignment.

For purposes of the Plan, any good faith determination of "Good Reason" made by the Participant shall be conclusive.

(s) **Normal Retirement Date:** The first day of the month coinciding with or next following the date on which the Participant retires from employment by the Company or a Subsidiary on or after attainment of age 62 having at least 10 Years of Service.

(t) **Participant:** An Eligible Employee who elects to participate in the Plan in accordance with Section 3.

(u) **Participation Agreement:** A written notice filed by an Eligible Employee with the Company in substantially the form attached hereto as Exhibit A, electing to participate in the Plan and agreeing to the terms of the Plan.

(v) **Person:** shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Affiliates (as defined in Rule 12b-2 promulgated under Section 12 of the Exchange Act), (iii) an underwriter temporarily holding securities pursuant to an offering by the Company of such securities, or (iv) a corporation or other entity owned, directly or indirectly, by the shareholders of the Company in the same proportions as their ownership of common shares of the Company.

(w) **Plan:** The Weatherford International Ltd. Supplemental Executive Retirement Plan set forth in this document as it may be amended from time to time.

(x) **Plan Assumptions:** The Plan assumptions established by the Company used to calculate some benefits provided under the Plan, as set forth on Exhibit B attached hereto.

(y) **Section 409A:** Section 409A of the Code and the final Department of Treasury Regulations issued thereunder.

(z) **Separation From Service:** shall have the meaning ascribed to that term in Section 409A.

(aa) **Specified Employee:** shall have the meaning ascribed to that term in Section 409A.

(bb) **SRP** means the means the Weatherford International Inc. Supplemental Retirement Plan, which expired under its original terms on December 31, 2009.

(cc) **Subsidiary:** Any majority-owned subsidiary of the Company or any majority-owned subsidiary thereof, or any other Entity in which the Company owns, directly or indirectly, a significant financial interest provided that the CEO designates such Entity to be a Subsidiary for the purposes of the Plan.

(dd) **Year of Service:** Each 12-month period during continuous employment with the Company or a Subsidiary as a common-law employee beginning on an Eligible Employee's date of hire and each anniversary thereof. Any period of less than 12 months during such continuous employment that begins on the anniversary of an Eligible Employee's date of hire and ends on his or her date of retirement or termination of employment shall also be credited as one full Year of Service. All periods of employment by the Company or a Subsidiary shall be taken into account and neither the transfer of an Eligible Employee from employment by the Company to employment by a Subsidiary nor the transfer of an Eligible Employee from employment by a Subsidiary to Employment by the Company shall be deemed to be a termination of employment by the Eligible Employee. Moreover, the employment of an Eligible Employee shall not be deemed to have been terminated because of his absence from active employment on account of temporary illness or authorized vacation, or during temporary leaves of absence from active employment granted by the Company or a Subsidiary for reasons of professional

advancement, education, health, or government service, or during military leave for any period if the Eligible Employee returns to active employment within 90 days after the termination of his military leave, or during any period required to be treated as a leave of absence by virtue of (i) any enforceable employment or other agreement or (ii) any applicable law, such as the U.S. federal Family and Medical Leave Act of 1993.

3. Participation; Years of Service; Years of Age.

(a) An Eligible Employee may irrevocably elect to participate in the Plan by filing a Participation Agreement with the Company within 30 days after the individual becomes an Eligible Employee. An Eligible Employee who does not file a Participation Agreement with the Company during the applicable 30-day period may not subsequently elect to participate in the Plan. For avoidance of doubt, Participants are not entitled to any SRP benefits in any form.

(b) For purposes of determining a Participant's Years of Service under the Plan,

(i) the CEO may, in his sole discretion, credit a Participant (excluding himself) with additional Years of Service at any time for any or all purposes under the Plan. Such credits will be effective on written notice from the CEO delivered to the Participant and are in addition to the credits provided in (b)(ii), (c), (d) and (e) below, if applicable; and

(ii) upon termination of employment for any reason (except for termination by the Company for Cause), each Participant shall be credited with an additional number of Years of Service and years of age as set forth in the Plan Assumptions, in addition to the credits provided in (b)(i) above and (c), (d) and (e) below, if applicable .

(c) When determining the benefits payable to a Participant, if a Participant's actual age (before adding any additional years) is 55 or older, then no additional years of age will be credited to such Participant. If, however, a Participant's actual age is 54 or less, then the Participant will be credited with additional years of age under the terms of the Plan, provided that when the Participant's actual age reaches 55 years, then no additional years of age will be credited to the Participant.

(d) Upon a Change of Control, each Participant shall be automatically credited with an additional five Years of Service and additional five years of age, in addition to the credits provided in (b) and (c) above and (e) below, if applicable.

(e) If a Participant's employment with the Parent, the Company or any Subsidiary is terminated for any reason other than for Cause after a Change of Control, the Participant shall be credited with an additional five Years of Service and additional five years of age, in addition to the credits provided in (b), (c) and (d) above, if applicable.

4. Retirement Benefit.

(a) The Company agrees that, on a Participant's Early Retirement Date or Normal Retirement Date, the Company shall pay as a retirement benefit ("Retirement Benefit") to the Participant an amount, no less than zero, that is equal to (A) minus (B) where (A) represents the lump sum equivalent of a monthly benefit for a period of 36 years equal to one-twelfth of the product of (i) the annual benefit percentage, as set forth in the Participation Agreement ("Annual Benefit Percentage"), multiplied by (ii) the Participant's Compensation in effect as of his or her Early Retirement Date or Normal Retirement Date, as applicable, and multiplied by (iii) the Participant's Years of Service, up to a maximum amount equal to such Compensation multiplied by the maximum benefit percentage set forth in the Participation

Agreement ("Maximum Benefit Percentage") and (B) represents the amount of the Participant's Retirement Benefit or Termination Benefit, as applicable, paid or to be paid under the ERP. Such lump sum equivalent shall be determined on the basis of Plan Assumptions.

(b) The Company shall pay the Retirement Benefit to the Participant within 15 days after the date of the Participant's Separation From Service; provided, however, that if the Participant is a Specified Employee, the Participant's Retirement Benefit shall be paid on the date that is six months following the date of the Participant's Separation From Service.

5. Termination Benefit.

(a) If a Participant's employment with the Company or any Subsidiary is terminated before the Participant's Early Retirement Date for any reason (including death or Disability) and the Participant has completed 10 Years of Service as of the date of termination, the Company shall pay as a termination benefit ("Termination Benefit") to the Participant (or Beneficiary, as applicable) an amount, no less than zero, that is equal to (A) minus (B) where (A) represents the lump sum equivalent of a monthly benefit for a period of 36 years equal to one-twelfth of the product of (i) the Annual Benefit Percentage, multiplied by (ii) the Participant's Compensation in effect as of his or her date of termination, and multiplied by (iii) the Participant's Years of Service, up to a maximum amount equal to such Compensation multiplied by the Maximum Benefit Percentage and (B) represents the amount of the Participant's Termination Benefit, Disability Benefit or Death Benefit, paid or to be paid under the ERP. Such lump sum equivalent shall be determined on the basis of Plan Assumptions.

(b) The Company shall pay the Termination Benefit to the Participant within 15 days after the date of the Participant's Separation From Service; provided, however, that if the Participant is a Specified Employee the Participant's Termination Benefit shall be paid on the date that is six months following the date of the Participant's Separation From Service.

6. Non-Vested Participant. In the event of termination of a Participant's employment with the Company or a Subsidiary for any reason prior to completion of 10 Years of Service and prior to a Change of Control, other than termination of employment due to Disability or death or for Cause, the Participant shall not be eligible to receive any benefits under the Plan; provided, however, that if a Participant has at least seven Years of Service at the date of termination (excluding any additional Years of Service granted under Section 3(b)), other than a termination for Cause or voluntary termination by the Participant for any reason other than for Good Reason, Disability, death or Retirement, then the Participant will be credited with an additional three Years of Service and three years of age and will be eligible for the benefits provided under Section 5. If, after a Change of Control, a Participant's employment with the Company or a Subsidiary is terminated for any reason, other than for Cause, prior to completion of 10 Years of Service, the Participant shall be eligible to receive benefits under the Plan.

7. Gross-up for Certain Taxes. All amounts payable (whether currently or in the future) by the Company to a Participant or his or her Beneficiaries under this Plan and the ERP shall be grossed-up in accordance with the provisions of Exhibit C hereto. These provisions do not apply to any ordinary income tax or social security tax of any jurisdiction otherwise attributable to benefits payable under the Plan.

8. Medical Coverage. For each Participant who is eligible to receive or receives benefits under the Plan or the ERP, beginning as of the first day following a Participant's date of termination of employment, each Participant and his or her spouse and their dependent children (up to age 25) shall be provided by the Company with health and medical (including optical and dental) insurance for the remainder of the Participant's and his or her spouse's individual lives that is equivalent to the most

beneficial health and medical insurance that Participant was eligible to receive during his or her employment with the Company or a Subsidiary (which shall be no less beneficial than the insurance provided to the CEO). The Company shall be responsible and obligated to maintain such health and medical insurance and shall pay all premiums for such insurance, provided, however, that (i) the Participant shall continue to pay the normal monthly employee contribution for the insurance, subject to a maximum annual aggregate Participant contribution of \$2,000 (or other currency equivalent), and (ii) these health and medical benefits shall, to the extent permitted by law, be secondary to any benefits provided under U.S. Medicare and to any other health and medical benefits that the Participant receives from any other employer provided plan. Each Participant as of the Effective Date, has a fully nonforfeitable interest in the benefits specified in this Section 8, without any requirement that future services be performed after the Effective Date. To the extent that the accident or health insurance benefits specified in this Section 8 are not provided through an arrangement that is fully insured by a third party the following provisions shall apply to the reimbursement of such benefits. The amount of accident and health insurance expenses eligible for reimbursement during Participant's taxable year will not affect the expenses eligible for reimbursement in any other taxable year (with the exception of applicable lifetime maximums specified in the plans). The Participant's right to reimbursement is not subject to liquidation or exchange for another benefit. To the extent that the benefits provided to the Participant pursuant to this Section 8 are taxable to the Participant and not otherwise exempt from Section 409A, any amounts to which the Participant would otherwise be entitled under this Section 8 during the first six months following the date of the Participant's Separation From Service shall be accumulated and paid to the Participant on the date that is six months following the date of his Separation From Service.

9. Payor of Benefits.

(a) Benefits payable under the Plan with respect to a Participant shall be the joint and several obligation of the Company and each Subsidiary that employed the Participant during any period of his or her participation in the Plan, however, the Company shall have the primary obligation of making any and all benefit payments under the Plan. If, for any reason the Company is unable to make any payments, then all Subsidiaries that employed the Participant during any period of his or her participation in the Plan shall have the obligation to make all of such benefit payments. Adoption and maintenance of the Plan by the Company and any Subsidiary shall not, for that reason, create a joint venture or partnership relationship between or among such entities for purposes of payment of benefits under the Plan or for any other purpose.

(b) In order to meet its contingent obligations under the Plan, neither the Company nor any Subsidiary shall be required to set aside any assets or otherwise create any type of fund in which any Participant, or any person claiming under such Participant, has an interest other than that of an unsecured general creditor of the Company or a Subsidiary, or which would provide any Participant, or any person claiming under such Participant, with a legally enforceable right to priority over any general creditor of the Company or a Subsidiary in the event of insolvency of the Company or a Subsidiary. For all purposes of the Plan, the Company or a Subsidiary shall be considered insolvent if it is unable to pay its debts as they mature or if it is subject to a pending proceeding as a debtor under the U.S. Bankruptcy Code.

10. Benefits Payable Only from General Corporate Assets; Unsecured General Creditor Status of Participants. The payments to a Participant or his or her Beneficiary hereunder shall be made from assets which shall continue, for all purposes to be a part of the general, unrestricted assets of the Company; no person shall have any interest in any such assets by virtue of the provisions of the Plan. The Company's obligation hereunder shall be an unfunded and unsecured promise to pay money in the future. To the extent that any person acquires a right to receive payments from the Company under the

provisions hereof, such right shall be no greater than the right of any unsecured general creditor of the Company; no such person shall have nor acquire any legal or equitable right, interest or claim in or to any property or assets of the Company.

11. Full Settlement.

(a) **No Right of Offset.** The Company's obligations to make payments under the Plan and to otherwise perform its obligations under the Plan shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action that the Company may have against a Participant or others.

(b) **No Benefit Reduction.** The amount of any payments or benefits provided for in the Plan shall not be reduced by any compensation earned by the Participant as the result of employment by another employer, by any other retirement or severance benefits, by offset against any amount claimed to be owed by the Participant to the Company, or otherwise, except where such benefit reduction is specifically required in connection with the reduction for benefits payable or paid to the Participant under the ERP.

12. Beneficiary Designation. The Participant shall have the right, at any time, to submit in the form approved by the Company a written designation of primary and secondary Beneficiaries to whom payment under the Plan shall be made in the event of his or her death prior to complete distribution of the benefits due and payable under the Plan. Each Beneficiary designation shall become effective only when received by the Company. If no such designation has been received by the Company from the Participant prior to his or her death, the Participant shall be deemed to have designated as the Beneficiary (i) the Participant's surviving spouse, or (ii) if there is no surviving spouse, the Participant's children, in equal shares.

13. No Trust Created. Nothing contained in the Plan, and no action taken pursuant to its provisions by either party hereto shall create, or be construed to create, a trust of any kind, or a fiduciary relationship between the Company and any Participant, his or her Beneficiary or any other person.

14. No Contract of Employment. Nothing contained herein shall be construed to be a contract of employment for any term of years, nor as conferring upon a Participant the right to continue to be employed by the Company or any Subsidiary in his or her present capacity, or in any capacity. The Plan relates to the payment of deferred compensation for the Participant's services, payable after termination of his or her employment with the Company or any Subsidiary, and is not intended to be an employment contract.

15. Benefits Not Transferable. Neither a Participant nor his or her Beneficiary shall have any power or right to transfer, assign, anticipate, hypothecate or otherwise encumber any part or all of the amounts payable hereunder. No such amounts shall be subject to seizure by any creditor of any such Participant or Beneficiary, by a proceeding at law or in equity, nor shall such amounts be transferable by operation of law in the event of bankruptcy, insolvency or death of the Participant or his or her Beneficiary. Any such attempted assignment or transfer shall be void.

16. Administration.

(a) Full power and authority to construe, interpret and administer the Plan shall be vested in the CEO. This power and authority includes, but is not limited to, selecting Eligible Employees to participate in the Plan, establishing rules and regulations for the administration of the Plan, maintaining all records necessary for administration of the Plan, including, but not limited to, Participation

Agreements and beneficiary designation forms, and making all other determinations, and taking such actions, as may be necessary or advisable for the administration of the Plan. Decisions of the CEO shall be final, conclusive and binding upon all parties. The CEO, in his sole discretion, may delegate day-to-day administration of the Plan to an employee or employees of the Company or to a third-party administrator. The CEO may also rely on counsel, independent accountants or other consultants or advisors for advice and assistance in fulfilling its administrative duties under the Plan.

(b) Certain persons may be offered the ability to participate in the Plan as an Eligible Employee upon terms and conditions that differ from those in the Plan. The Participation Agreement for any such Eligible Employee will be deemed to be an amendment to the Plan only for such Eligible Employees who elect to participate in the Plan.

(c) It is intended that the Plan be considered an unfunded arrangement maintained primarily to provide deferred compensation, for a select group of management or highly compensated employees, for purposes of ERISA and the Code.

17. Determination of Benefits.

(a) **Claim.** A person who believes that he or she is being denied a benefit to which he or she is entitled under the Plan ("Claimant"), or his or her duly authorized representative, may file a written request for such benefit with the CEO of the Company, setting forth his or her claim. The request must be addressed to the CEO of the Company at the Company's principal place of business.

(b) **Claim Decision.** Upon receipt of a claim, the CEO shall advise the Claimant that a reply will be forthcoming within a reasonable period of time, but ordinarily not later than 60 days (45 days for Disability claims), and shall, in fact, deliver such reply within such period. However, the CEO may extend the reply period for an additional 30 days for reasonable cause (an additional 15 days, if necessary, for Disability claims). If the reply period will be extended, the CEO shall advise the Claimant in writing during the initial 60-day period (45-day period for Disability claims) indicating the special circumstances requiring an extension and the date by which the CEO expects to render the benefit determination.

If the claim is denied in whole or in part, the CEO will render a written opinion, using language calculated to be understood by the Claimant, setting forth (i) the specific reason or reasons for the denial, (ii) the specific references to pertinent Plan provisions on which the denial is based, (iii) a description of any additional material or information necessary for the Claimant to perfect the claim and an explanation as to why such material or such information is necessary, (iv) appropriate information as to the steps to be taken if the Claimant wishes to submit the claim for review, including a statement of the Claimant's right to bring a civil action, including under Section 502(a) of ERISA, following an adverse benefit determination on review, and (v) the time limits for requesting a review of the denial and for the actual review of the denial. With respect to a Disability claim, if the CEO relied on a rule, guideline, protocol or similar criterion in denying the claim, the notice will either include a copy or state that it was relied on and will be provided upon request, without charge.

(c) **Request for Review.** Within 60 days (180 days for Disability claims) after the receipt by the Claimant of the written opinion described above, the Claimant may request in writing that the Board review the CEO's prior determination. Such request must be addressed to the Board at the Company's then principal place of business. The Claimant or his or her duly authorized representative may submit written comments, documents, records or other information relating to the denied claim, which such information shall be considered in the review under this subsection without regard to whether such information was submitted or considered in the initial benefit determination.

The Claimant or his or her duly authorized representative shall be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information which (i) was relied upon by the CEO in making the initial claims decision, (ii) was submitted, considered or generated in the course of the CEO making the initial claims decision, without regard to whether such instrument was actually relied upon by the CEO in making the decision, (iii) demonstrates compliance by the CEO with administrative processes and safeguards designed to ensure and to verify that benefit claims determinations are made in accordance with governing Plan documents and that, where appropriate, the Plan provisions have been applied consistently with respect to similarly situated Claimants, or (iv) in the case of a Disability claim, constitute a statement of policy or guidance concerning the denied benefit. With respect to a Disability claim, (1) the Claimant may request that any medical or vocational experts who advised the CEO regarding the claim be identified, and (2) if the claim was denied on the basis of a medical judgment, the Board will consult a health care professional with appropriate training and experience other than the health care professional who was consulted in connection with the denial of the claim or his or her subordinates. If the Claimant does not request a review of the CEO's determination within such 60-day period (180-day period for Disability claims), he or she shall be barred and estopped from challenging such determination.

(d) Review of Decision. Within a reasonable period of time, ordinarily not later than 60 days (45 days for Disability claims), after the Board's receipt of a request for review, it will review the CEO's prior determination. If special circumstances require that the 60-day time period (45-day time period for Disability claims) be extended, the Board will so notify the Claimant within the initial 60-day period (45-day period for Disability claims) indicating the special circumstances requiring an extension and the date by which the Board expects to render its decision on review, which shall be as soon as possible but not later than 120 days (90 days for Disability claims) after receipt of the request for review.

The Board has discretionary authority to determine a Claimant's eligibility for benefits and to interpret the terms of the Plan. Benefits under the Plan will be paid only if the Board decides in its discretion that the Claimant is entitled to such benefits. The decision of the Board of Directors shall be final and non-reviewable, unless found to be arbitrary and capricious by a court of competent review. Such decision will be binding upon the Company and the Claimant.

If the Board makes an adverse benefit determination on review, the Board will render a written opinion, using language calculated to be understood by the Claimant, setting forth (i) the specific reason or reasons for the denial, (ii) the specific references to pertinent Plan provisions on which the denial is based, (iii) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information which (A) was relied upon by the Board in making its decision, (B) was submitted, considered or generated in the course of the Board making its decision, without regard to whether such instrument was actually relied upon by the Board in making its decision, (C) demonstrates compliance by the Board with administrative processes and safeguards designed to ensure and to verify that benefit claims determinations are made in accordance with governing Plan documents, and that, where appropriate, the Plan provisions have been applied consistently with respect to similarly situated claimants, or (D) in the case of a Disability claim, constitute a statement of policy or guidance concerning the denied benefit, and (iv) a statement of the Claimant's right to bring a civil action under Section 502(a) of ERISA following the adverse benefit determination on such review. With respect to a Disability claim, if the Board relied on a rule, guideline, protocol or similar criterion in denying the claim, the notice will either include a copy or state that it was relied on and will be provided upon request, without charge.

18. **Amendment.** The Plan may be amended, altered, modified, or terminated at any time by a written instrument signed by the Company or its Successors; provided, however, that no such amendment, alteration, modification or termination may adversely affect the rights of any Participant under the Plan. In addition, as provided for in Section 16, the terms and conditions contained in a Participation Agreement for any particular Participant shall be deemed to be an amendment to the Plan only for purposes of such Participant. In the event of a Change of Control, the Plan cannot be amended, altered, modified or terminated thereafter without the prior written consent of each Participant. Except for the application of Section 6 (which shall not be superceded by the terms of any other agreement with the Participant), to the extent that any of the terms and provisions of the Plan are contrary or contradictory to any terms and provisions of any employment agreement between a Participant and the Company or a Subsidiary, and the terms and provisions of such employment agreement are more beneficial to a Participant, then the terms and provisions of the employment agreement shall control and shall be deemed to be substituted for and replace the contrary terms and provisions of the Plan.

19. **Successors.** In addition to any obligations imposed by law upon any successor to the Company, the Company will require any successor (whether direct or indirect, by purchase, merger, consolidation, amalgamation, scheme of arrangement, exchange offer, operation of law or otherwise (including any purchase, merger, amalgamation, Corporate Transaction or other transaction involving the Company or any subsidiary or Affiliate of the Company), to all or substantially all of the business and/or assets of the Company or its subsidiaries (a "Successor") to expressly assume and agree to perform the Plan in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a breach of the Company's obligations under this Plan and shall entitle the Participant to immediate compensation from the Company and the Successor as if the Participant had been terminated without Cause following a Change of Control.

20. **Not a Security.** Nothing contained herein shall be construed to create a security. The Plan relates to the payment of deferred compensation for each Participant's services, payable after termination of his or her employment with the Company, and is not intended to be, or to create, a security.

21. **Notice.** Any notice, consent or demand required or permitted to be given under the provisions of the Plan shall be in writing, and shall be signed by the party giving or making the same. If such notice, consent or demand is mailed to a party hereto, it shall be sent by United States or Swiss certified mail, postage prepaid, addressed to such party's last known address as shown on the records of the Company. The date of such mailing shall be deemed the date of notice, consent or demand. Either party may change the address to which notice is to be sent by giving notice of the change of address in the manner aforesaid.

22. **Enforceability.** If any one or more of the provisions contained in the Plan shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the remaining provisions of the Plan, and the terms of such provision shall be construed, amended or deleted (if necessary) so as to cure such invalidity, illegality or unenforceability.

23. **Withholding.** In any case in which a benefit is payable under the terms of the Plan, the Company shall be entitled to deduct there from a sum equal to any tax (including social security) or duty of whatever nature for which the Company and/or the Participant's employer or former employer may be required to withhold in any country, canton, territory or state or province, including cases where the Company must withhold taxes to comply with any related tax rulings or dispensations obtained by the

Company and/or Subsidiary in consequence of payment of benefits under the Plan, as reasonably determined by the Company.

24. **Governing Law**. Except to the extent preempted by the laws of the domicile of a particular Participant, and then only with respect to that Participant, the Plan, and the rights and obligations of the Company and the Participants hereunder, shall be governed by and construed in accordance with the laws of the state of Texas (and applicable federal United States laws) applicable to contracts made and performed entirely in Texas by residents of Texas.

IN WITNESS WHEREOF, the Plan, as amended and restated, is executed by a duly authorized officer of the Company on December 31, 2009.
WEATHERFORD INTERNATIONAL LTD.

By: /s/ BERNARD J. DUROC-DANNER
Bernard J. Duroc-Danner
Chairman, President & Chief Executive Officer

EXHIBIT A
Participation Agreement
Weatherford International Ltd.
Supplemental Executive Retirement Plan (the
"Plan")

[Date]

[Name and address of Eligible Employee]

In recognition of the valuable services you have performed for Weatherford and to encourage your continued employment, you have been designated an Eligible Employee under the Plan. You may elect to participate in the Plan by signing and returning this Participation Agreement within 30 days.

By signing and filing this Participation Agreement, you elect to participate in the Plan and agree to be bound by the terms of the Plan and you understand, agree and acknowledge that:

1. You have received and read a copy of the Plan and have had an opportunity to review it with legal counsel of your choosing;
2. This Participation Agreement is irrevocable;
3. The Company does not represent that the Beneficiary Designation Form will be legally recognized in any jurisdictions in which you may be or become resident; and
4. For purposes of the Plan Assumptions, you are a Class [A/B] Participant.

Bernard Duroc-Danner, Chief Executive Officer

I elect to participate in the Plan and acknowledge and agree to the foregoing.

Eligible Employee's Signature

Dated:

EXHIBIT B
Weatherford International Ltd.
Nonqualified Executive Retirement Plan
Plan Assumptions

All Participants

Present Value Discount Rate: 5.00% annual discount rate

Class A Participants (CEO and SVPs and other Participants elevated to Class A)

Additional Plan Years: For purposes of and subject to Clause 3(b)(ii), three years of age and three Years of Service, plus any further credits pursuant to Clauses 3(b)(i), (c), (d) or (e)

Annual Benefit Percentage: 2.75%

Maximum Benefit Percentage: 60.00%

Inflation Rate Factor: 3% inflation rate, compounded annually

Class B Participants (VPs)

Additional Plan Years: For purposes of and subject to Clause 3(b)(ii), two years of age and two Years of Service, plus any further credits pursuant to Clauses 3(b)(i), (c), (d) or (e)

Annual Benefit Percentage: 2.00%

Maximum Benefit Percentage: 40.00%

Inflation Rate Factor: None

EXHIBIT C

A. Anything in the Plan to the contrary notwithstanding, if it shall be determined that any payment or distribution by the Parent, the Company or any of their Subsidiaries to or for the benefit of the Participant (whether paid or payable or distributed or distributable pursuant to the terms of the Plan, the ERP or otherwise, but determined without regard to any additional payments required under this Exhibit C) (a "Payment") would be subject to any penalties, excise or other taxes, including, but not limited to, any penalties, excise or other taxes imposed by sections 4999, 409A or 457A of the Code (and any successor provisions or sections to such sections), or any interest or penalties are incurred by the Participant with respect to any such excise or other taxes (such excise or other taxes, together with any such interest and penalties, are collectively referred to as the "Excise Tax"), then the Participant shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Participant of all taxes (including any interest or penalties imposed with respect to such taxes), including without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Participant retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments. For purposes of this Exhibit C, all references to the Company shall be deemed to also include any Subsidiaries that have payment obligations under the Plan.

B. Subject to the provisions of paragraph C, all determinations required to be made under this Exhibit C, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination shall be made by PricewaterhouseCoopers or, as provided below, such other certified public accounting firm as may be designated by the Participant (the "Accounting Firm") which shall provide detailed supporting calculations both to the Company and the Participant within 15 business days after the receipt of notice from the Participant that there has been a Payment, or such earlier time as is requested by the Company. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change of Control, the Participant shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any Gross-Up Payment, as determined pursuant to this Exhibit C, shall be paid by the Company to the Participant within five days after the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon the Company and the Participant. Notwithstanding any provision of this Agreement to the contrary, any amounts to which the Participant would otherwise be entitled under this Exhibit C during the first six months following the date of the Participant's Separation From Service shall be accumulated and paid to the Participant on the date that is six months following the date of his Separation From Service. All amounts payable under this paragraph B shall be paid no later than the earlier of (i) the time periods described above and (ii) the last day of the Participant's taxable year next following the Participant's taxable year in which the Participant remits the related taxes to the applicable taxing authorities. As a result of the uncertainty in the application of Excise Taxes at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by the Company should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Company exhausts its remedies pursuant to paragraph C and the Participant thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Company to or for the benefit of the Participant, subject to the foregoing sentence, and in no event later than the deadline specified in this paragraph B.

C. The Participant shall notify the Company in writing of any claim by the Internal Revenue

Service (the "IRS") that, if successful, would require the payment by the Company of the Gross-Up Payment (or an additional Gross-Up Payment) in the event the IRS seeks higher payment. Such notification shall be given as soon as practicable, but no later than ten business days after the Participant is informed in writing of such claim, and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. The Participant shall not pay such claim prior to the expiration of the 30-day period following the date on which he gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies the Participant in writing prior to the expiration of such period that it desires to contest such claim, the Participant shall:

- (1) give the Company any information reasonably requested by the Company relating to such claim,
- (2) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company,
- (3) cooperate with the Company in good faith in order to effectively contest such claim, and
- (4) permit the Company to participate in any proceedings relating to such claims;

provided, however, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such costs and shall indemnify and hold the Participant harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Exhibit C, the Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forego any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Participant to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Participant agrees to prosecute such contest to determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided, however, that if the Company directs the Participant to pay such claim and sue for a refund, the Company shall advance the amount of such payment to the Participant, on an interest-free basis and shall indemnify and hold the Participant harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Participant with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Participant shall be entitled to settle or contest, as the case may be, any other issues raised by the IRS or any other taxing authority. The Company shall not direct the Participant to pay such a claim and sue for a refund if, due to the prohibitions of section 402 of the Sarbanes-Oxley Act of 2002, the Company may not advance to the Participant the amount necessary to pay such claim. All costs and expenses described in this paragraph C shall be paid by the Company at least ten days prior to the date that the Participant is required to pay or incur such costs or expenses. The costs and expenses that are subject to be paid pursuant to this paragraph C shall not be limited as a result of when the costs or expenses are incurred. The amounts of costs or expenses that are eligible for payment pursuant to this paragraph C during a given taxable year of the Participant shall not affect the amount of costs or expenses eligible for payment in any other taxable year of the Participant. The right to payment of costs and expenses pursuant to this

paragraph C is not subject to liquidation or exchange for another benefit. All tax amounts payable by the Company under this paragraph C shall be paid no later than the earlier of (i) the time periods described above and (ii) the last day of the Participant's taxable year next following the Participant's taxable year in which the Participant remits the related taxes to the applicable taxing authorities. Notwithstanding any provision of this Agreement to the contrary, any amounts to which the Participant would otherwise be entitled under this paragraph C during the first six months following the date of the Participant's Separation From Service shall be accumulated and paid to the Participant on the date that is six months following the date of his Separation From Service.

D. If, after the receipt by the Participant of an amount advanced by the Company pursuant to paragraph C, the Participant becomes entitled to receive any refund with respect to such claim, the Participant shall (subject to the Company's complying with the requirements of paragraph C) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Participant of an amount advanced by the Company pursuant to paragraph C, a determination is made that the Participant shall not be entitled to any refund with respect to such claim and the Company does not notify the Participant in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then such advance shall not be required to be repaid.