

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON D.C. 20549

FORM 10Q

/ X / QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934  
For the quarterly period ended MARCH 31, 1994

-- OR --

/ / TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934  
For the transition period from to

Commission File Number 1-2958

HUBBELL INCORPORATED

(Exact name of registrant as specified in its charter)

STATE OF CONNECTICUT

06-0397030

(State or other jurisdiction of  
incorporation or organization)

(I.R.S. Employer  
Identification No.)

584 DERBY MILFORD ROAD, ORANGE, CT

06477

(Address of principal executive offices)

(Zip Code)

(203) 799-4100

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since  
last report.)

Indicate by check mark whether the registrant (1) has filed all reports  
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of  
1934 during the preceding 12 months (or for such shorter period that the  
registrant was required to file such reports), and (2) has been subject to such  
filing requirements for the past 90 days.

YES X NO

The number of shares of registrant's classes of common stock outstanding as of  
May 3, 1994 were:

Class A (\$.01 par value) 5,889,000

Class B (\$.01 par value) 25,436,000

HUBBELL INCORPORATED  
PART I -- FINANCIAL INFORMATION

ITEM 1 FINANCIAL STATEMENTS

Consolidated Balance Sheet  
(unaudited)  
(in thousands)

	March 31, 1994	December 31, 1993
	-----	-----
Assets		
-----		
Current Assets:		
Cash and temporary cash investments	\$ 59,464	\$ 44,231
Accounts receivable (net)	117,019	109,987
Inventories	183,566	181,699
Prepaid taxes	15,996	15,875
Other	4,956	10,289
	-----	-----
TOTAL CURRENT ASSETS	381,001	362,081
Property, Plant and Equipment (net)	153,049	154,621
Other Assets:		
Investments, at cost	249,556	245,081
Purchase price in excess of net assets of companies acquired (net)	65,696	66,522
Property held as investment	10,675	7,794
Other	36,259	38,199
	-----	-----
	\$ 896,236	\$ 874,298
	=====	=====
Liabilities and Shareholders' Equity		
-----		
Current Liabilities		
Notes payable	\$ 99,200	\$ 91,100
Accounts payable	18,624	20,964
Accrued salaries, wages and employee benefits	21,738	20,215
Accrued income taxes	40,720	35,617
Dividends payable	12,842	12,816
Accrued restructuring charge	14,000	14,000
Other accrued liabilities	35,016	35,494
	-----	-----
TOTAL CURRENT LIABILITIES	242,140	230,206
Long-Term Debt	2,700	2,700
Other NonCurrent Liabilities	75,628	79,160
Deferred Income Taxes	5,952	4,572
Shareholders' Equity	569,816	557,660
	-----	-----
	\$ 896,236	\$ 874,298
	=====	=====

See notes to consolidated financial statements.

HUBBELL INCORPORATED  
Consolidated Statement of Income  
(unaudited)  
(in thousands, except per share amounts)

	Three Months Ended March 31,	
	1994	1993
Net Sales	\$ 207,044	\$ 198,017
Cost of goods sold	142,504	134,290
Gross Profit	64,540	63,727
Selling & administrative expenses	34,101	33,841
Operating Income	30,439	29,886
Other Income (Expense):		
Investment income	3,866	3,897
Interest expense	(867)	(812)
Other income (expense), net	(562)	(505)
TOTAL OTHER INCOME, NET	2,437	2,580
Income Before Income Taxes	32,876	32,466
Provision for income taxes	8,548	8,441
Net Income	\$ 24,328	\$ 24,025
Earnings Per Share:	\$0.77	\$0.76

See notes to consolidated financial statements.

HUBBELL INCORPORATED  
Consolidated Statement of Cash Flows  
(unaudited)  
(in thousands)

	Three Months Ended March 31,	
	1994	1993
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES		
- - - - -		
Net Income	\$ 24,328	\$ 24,025
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	8,326	7,770
Restructuring charge	(3,273)	--
Deferred income taxes	1,259	331
Changes in assets and liabilities, net of the effect of business acquisitions:		
(Increase)/Decrease in Accounts receivable	(7,032)	467
(Increase)/Decrease in Inventories	(1,867)	(6,556)
(Increase)/Decrease in Other current assets	5,333	(1,982)
Increase/(Decrease) in Current liabilities (excluding dividends payable)	3,808	(1,768)
(Increase)/Decrease in Other, net	84	615
	-----	-----
Net cash provided by operating activities	30,966	22,902
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES		
- - - - -		
Acquisition of businesses	--	(15,500)
Additions to property, plant and equipment	(8,356)	(4,800)
Purchase of noncurrent investments	(4,475)	(4,030)
Sale of noncurrent investments	--	1,013
Other, net	555	214
	-----	-----
Net cash used in investing activities	(12,276)	(23,103)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES		
- - - - -		
Payment of dividends	(12,816)	(12,474)
Short-term borrowing	8,100	11,000
Exercise of stock options	1,259	328
	-----	-----
Net cash used in financing activities	(3,457)	(1,146)
	-----	-----
Increase (Decrease) in cash and temporary cash investments	15,233	(1,347)
CASH AND TEMPORARY CASH INVESTMENTS		
- - - - -		
Beginning of period	44,231	28,255
	-----	-----
End of period	\$ 59,464	\$ 26,908
	=====	=====

See notes to consolidated financial statements.

HUBBELL INCORPORATED  
Notes to Consolidated Financial Statements  
March 31, 1994  
(unaudited)

1. Inventories are classified as follows: (in thousands)

	March 31, 1994	December 31, 1993
	-----	-----
Raw Material	\$ 57,711	\$ 58,359
Work-in-Process	54,621	49,653
Finished Goods	110,904	113,312
	-----	-----
	223,236	221,324
 Excess of current Production costs over LIFO cost basis	 39,670	 39,625
	-----	-----
	\$183,566	\$181,699
	=====	=====

2. Shareholders' Equity comprises: (in thousands)

	March 31, 1994	December 31, 1993
	-----	-----
Common Stock, \$.01 par value:		
-----		
Class A--authorized 50,000,000 shares, outstanding 5,889,353 and 5,875,748 shares	\$ 59	\$ 59
Class B--authorized 150,000,000 shares, outstanding 25,432,739 and 25,382,793 shares	254	254
Additional paid-in capital	346,639	358,219
Retained earnings	228,115	203,787
Cumulative translation adjustments	(5,251)	(4,659)
	-----	-----
	\$ 569,816	\$ 557,660
	=====	=====

3. In the opinion of management, the information furnished in Part I--Financial Information on Form 10-Q reflects all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial statements for the periods indicated.
4. The results of operations for the three month period ended March 31, 1994 and 1993 are not necessarily indicative of the results to be expected for the full year.
5. Subsequent Event--On April 19, 1994 the Company completed its acquisition of A. B. Chance Industries Inc., a manufacturer of electrical apparatus, anchors, hardware, insulators, hot-line tools, and other safety equipment. The acquisition was for \$110 million in cash, of which the company borrowed \$45 million on a short-term basis, and will be recorded under the purchase method of accounting.

HUBBELL INCORPORATED  
Notes to Consolidated Financial Statements  
March 31, 1994  
(unaudited)

Presented below is the unaudited pro forma combined balance sheet of Hubbell Incorporated and A. B. Chance Industries, Inc. as of March 31, 1994 and combined summary of operations as if the transaction had occurred as of the beginning of 1993 (in 000's except per share):

	HUBBELL INCORPORATED	A.B.CHANCE INDUSTRIES INC.	ADJUSTMENTS	PRO FORMA COMBINED
	-----	-----	-----	-----
<b>ASSETS</b>				
-----				
Accounts Receivable	\$117,019	\$ 22,284	\$ --	\$139,303
Inventories	183,566	26,539	0	210,105
Other Current Assets	80,416	2,549	(33,618)	49,347
Property, Plant, and Equipment (Net)				
Investments	153,049	29,593	--	182,642
Goodwill	249,556	--	(30,000)	219,556
Other Assets	65,696	32,997	37,966	136,659
TOTAL	46,934	2,797	4,148	53,879
	-----	-----	-----	-----
	\$896,236	\$116,759	\$(21,504)	\$991,491
	=====	=====	=====	=====
<b>LIABILITIES AND COMMON SHAREHOLDERS' EQUITY</b>				
-----				
Notes Payable	\$ 99,200	\$ --	\$ 45,000	\$144,200
Other Current Liabilities	142,940	30,508	6,510	179,958
Long-Term Debt	2,700	62,264	(62,264)	2,700
Other Liabilities and Deferred Taxes				
Common Shareholders' Equity	81,580	6,736	6,500	94,816
TOTAL	569,816	17,251	(17,250)	569,817
	-----	-----	-----	-----
	\$896,236	\$116,759	\$(21,504)	\$991,491
	=====	=====	=====	=====
<b>SUMMARY OF OPERATIONS</b>				
-----				
<b>1994 YEAR-TO-DATE</b>				
Net Sales	\$207,044	\$ 41,650	\$ --	\$248,694
Income Before Income Taxes	\$ 32,876	\$ 1,677	\$ 530	\$ 35,083
Net Income	\$ 24,328	\$ 902	\$ 168	\$ 25,398
Earnings Per Share	\$ 0.77	--	--	\$ 0.80
<b>1993 FULL YEAR</b>				
Net Sales	\$832,423	\$156,830	--	\$989,253
Income Before Income Taxes	\$ 81,494	\$ 7,114	\$ 2,664	\$ 91,272
Net Income	\$ 66,306	\$ 4,058	\$ 1,063	\$ 71,427
Earnings Per Share	\$ 2.10	--	--	\$ 2.26

In preparing the unaudited pro forma combined balance sheet and summary of operations, adjustments were made to the historical financial statements to reflect the reduction in the securities portfolio and investment income; increase in short-term borrowing and interest expense; amortization of the estimated goodwill of \$71 million over 40 years; the repayment of existing debt of A. B. Chance Industries, Inc.; and other estimated purchase accounting entries. The pro forma statements are not indicative of the results that would have been obtained if the operations would have been combined during 1993, nor are they necessarily indicative of the results that may occur in the future.

HUBBELL INCORPORATED  
ITEM 2      MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION  
AND RESULTS OF OPERATIONS  
March 31, 1994

Results of Operations

Consolidated net sales increased by more than 4% on improved sales at the Lighting, Raco, and Industrial Controls subsidiaries, and inclusion of E. M. Wiegmann & Company, Inc. which was acquired in late March, 1993, partially offset by lower activity at the Pulsecom Communications subsidiary. Operating income increased by 2% as a large portion of the sales growth was in lower-margined products. Additionally, the Company has continued to increase expenditures for product and market development and customer service enhancement.

Low Voltage segment sales increased 2% on higher shipments of fluorescent lighting products and industrial controls. Operating income increased 10% on the higher sales volume and the favorable impact of cost controls and productivity improvements.

Sales of the High Voltage segment increased 5% as most product lines showed improvement. Operating income increased 7% on the higher sales volume and improved capacity utilization.

Other Industry segment sales increased 9% on improved shipments of enclosures, fittings, switch and outlet boxes, and inclusion of E. M. Wiegmann & Company, Inc. which offset the lower sales of telecommunication products. Segment operating income was 22% lower than last year reflecting the reduced shipments of higher-margined products combined with a high level of development expenses for the next generation of telecommunications products.

The effective tax rate for 1994 was 26%, the same as in 1993. Net income and earnings per share increased by 1% respectful, over last year.

Liquidity and Capital Resources

At March 31, 1994, notes payable of \$99.2 million and long-term debt of \$2.7 million were 17.9% of shareholders' equity. Working capital was \$138.9 million and the current ratio was 1.6 to 1.0.

HUBBELL INCORPORATED  
PART II -- OTHER INFORMATION

ITEM 4 SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

At the Annual Meeting of Shareholders held on May 2, 1994:

1. The following nine (9) individuals were elected directors of the Company for the ensuing year to serve until the next Annual Meeting of Shareholders of the Company and until their respective successors may be elected and qualified:

Name of Individual -----	Votes For -----	Votes Withheld -----
E. Richard Brooks	122,024,513	629,795
George W. Edwards, Jr.	122,098,188	556,120
Andrew McNally IV	122,175,546	478,762
Robert N. Flint	122,155,349	498,959
Daniel J. Meyer	122,110,873	543,435
Horace G. McDonell	122,091,254	563,054
Joel S. Hoffman	122,157,113	497,195
G. Jackson Ratcliffe	122,178,138	476,169
John A. Urquhart	122,140,507	513,801

2. Price Waterhouse was ratified as independent accountants to examine the annual financial statements for the Company for the year 1994 receiving 122,127,876 affirmative votes, 325,251 negative votes, and 198,696 votes abstained.
3. The proposal relating to approval of an amendment to the Company's existing 1973 Stock Option Plan for Key Employees, which appears on pages 17 to 20 of the definitive proxy statement dated March 25, 1994 and filed with the Commission on March 25, 1994, which proposal is incorporated herein by reference, has been approved with 111,633,343 affirmative votes, being the affirmative vote of the holders of a majority of the voting power of all outstanding eligible shares all voting as a single class with 5,513,414 negative votes, and 2,172,398 votes abstained.



HUBBELL INCORPORATED  
PART II -- OTHER INFORMATION

ITEM 6 EXHIBITS AND REPORTS ON FORM 8-K

EXHIBITS

- 10b(1). Hubbell Incorporated 1973 Stock Option Plan for Key Employees, as amended and restated effective May 2, 1994 (filed hereunder).
11. Computation of Earnings per Share.

REPORTS ON FORM 8-K

A report on Form 8-K, pertaining to the April 19, 1994 acquisition of A. B. Chance Industries, Inc., was filed with the Securities and Exchange Commission on April 29, 1994.

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

HUBBELL INCORPORATED

Dated: May 9, 1994  
-----

/s/ Harry B. Rowell, Jr.  
-----  
Harry B. Rowell, Jr.  
Executive Vice President  
(Chief Financial and Accounting Officer)

## EXHIBITS INDEX

Exhibit No.	Description	Sequential Page No.
-----	-----	-----
10b(1).	Hubbell Incorporated 1973 Stock Option Plan for Key Employees, as mended and restated effective May 2, 1994 (filed hereunder).	
11.	Computation of Earnings per Share.	

## 1973 STOCK OPTION PLAN FOR KEY EMPLOYEES

## 1. Purpose of the Plan

The purpose of the 1973 Stock Option Plan for Key Employees (the "Plan") is to further the growth and development of Hubbell Incorporated (the "Company") by providing an incentive through encouraging ownership of stock of the Company to officers and other key employees who are in a position to contribute materially to the prosperity of the Company, to increase their interest in the Company's welfare, and continue their services, and by affording a means through which the Company can attract to its services, employees of outstanding ability.

## 2. Administration of the Plan

The Plan shall be administered by the Compensation Committee (the "Committee"), consisting of three or more members of the Board of Directors of the Company ("Board of Directors") who are not eligible, and who have not at any time within one year prior to their appointment to the Committee been eligible, for selection as persons to whom capital stock may be allocated or to whom qualified, non-qualified, restricted, incentive, or employee stock purchase plan stock options may be granted pursuant to this Plan or any other plan of the Company or any of its affiliates entitling the participants therein to acquire stock or qualified, restricted, non-qualified, incentive, or employee stock purchase plan stock options of the Company or any of its affiliates. The members of the Committee shall be appointed from time to time by the Board of Directors, to serve at the pleasure of the Board. From and after the first meeting of shareholders at which directors are to be elected that occurs after July 1, 1994, the Committee shall contain at least two "Outside Directors" as that term is defined in Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code").

Subject to the express provisions of the Plan, the Committee shall have authority in its discretion to determine the individuals to whom, and the time or times at which options shall be granted, and the number of shares to be subject to each option. In making such determinations, the Committee may take into account the nature of the services rendered by the respective employees, their present and potential contribution to the Company's success, and such other factors as the Committee in its discretion shall deem relevant.

Subject to the express provisions of the Plan, the Committee shall also have authority to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to it, to determine the terms and provisions of the respective option agreements (which need not be identical) and to make all other determinations necessary or advisable for the administration of the Plan.

The Committee shall select one of its members as a Chairman, who shall preside at meetings and who shall have authority to execute and deliver documents on behalf of the Committee. Meetings of the Committee shall be held at such times and places as the members thereof may determine. The majority of its members shall constitute a quorum, and all determinations of the Committee shall be made by a majority of its members. No member of the Committee shall be liable for anything done or omitted to be done by such member or by any other member of the Committee in connection with this Plan, except for such member's own willful misconduct or as expressly provided by statute.

### 3. Stock Subject to the Plan

Subject to adjustment as provided in Paragraph 5(d) of this Plan, the aggregate number of shares of stock which may be issued under options granted under this Plan shall be 1,800,000 shares of the Company's Class A Common Stock, par value \$.01 per share, and 4,602,700 shares of the Company's Class B Common Stock, par value \$.01 per share. The number of shares of stock which may be issued under options granted under this Plan to any one individual in any fiscal year shall not exceed 150,000 shares. Solely with respect to option grants made prior to March 10, 1987, each option granted shall relate to equal amounts of the Company's Class A Common and Class B Common Stock.

Options granted by the Committee may be "incentive stock options" (as defined in Section 422 of the Code or options which are not "incentive stock options", or a combination thereof, as determined by the Committee.

Options may be granted with respect to either authorized but unissued shares, or reacquired shares. In the event that any option under the Plan expires or is terminated for any reason prior to the end of the period during which options may be granted, the shares allocable to the unexercised portion of such option shall again be available for the purposes of this Plan.

### 4. Eligibility

Options may be granted only to officers and other key employees of the Company and subsidiary corporations (as defined in Section 424(f) of the Code). Directors who are not officers or employees shall not be eligible. Subject to the other provisions of this Plan, an individual may hold or be granted more than one option. No incentive stock option shall be granted hereunder which would permit the person to whom the option is granted to own (within the meaning of Section 424(d) of the Code), immediately after the option is granted, stock (including stock issuable upon the exercise of options) possessing more than 10 percent of the total combined voting power of all classes of stock of the Company, unless at the time any such option is granted the option price is at least 110 percent of the fair market value of the stock subject to the option, and such option by its terms is not exercisable after the expiration of five years from the date such option is granted.

5. Terms and Conditions of Options

Options shall be granted under this Plan upon such terms and conditions as the Committee shall determine, subject to the following provisions:

(a) Option Price

The option price of the stock subject to each option shall, except as otherwise provided herein (i) not be less than the greater of (A) 100 percent of the fair market value of such stock, as determined in good faith by the Committee, on the date such option is granted, or (B) the par value of such stock, in the case of an option which is intended to be an incentive stock option, or (ii) not be less than the greater of (A) 85 percent of the fair market value of such stock, as determined in good faith by the Committee, on the date such option is granted, or (B) the par value of such stock, in the case of an option which is not intended to be an incentive stock option.

(b) Term of Option

Options shall be granted for such term as the Committee shall determine except that no option shall be exercisable after the expiration of ten years from the date such option is granted.

(c) Exercise and Termination of Options

The options granted under the Plan shall be exercisable immediately or in such installments as the Committee may prescribe. The Committee may accelerate the exercisability of options at any time in its sole discretion.

Each incentive stock option granted hereunder prior to January 1, 1987 shall not be exercisable while there is outstanding any incentive stock option which was granted before the granting of such first mentioned incentive stock option to purchase stock in the Company or one or more of its subsidiaries.

During the lifetime of the individual to whom an option is granted, the option shall be exercisable only by such individual.

(A) Termination of Employment -- General

If the participant ceases to be an employee of the Company or a subsidiary for any reason (including, without limitation, the sale of a subsidiary) other than death, retirement with the consent of the Company or retirement by reason of "Permanent Disability," such option shall expire on the earlier of (i) the end of the option exercise period specified in the option or (ii) the date three months (30 days for incentive stock options granted prior to March 10, 1987) from the date of the participant's termination of employment (even though such participant is subsequently reemployed). "Permanent Disability" shall mean that the participant is unable to engage in any substantial gainful activity by reason of any medically

determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve months.

(B) Retirement with Company Consent

If the employment of the participant with the Company or its subsidiaries shall terminate by reason of the participant's retirement with the consent of the Company, the installments of such participant's stock option shall continue to mature in the normal manner and the participant (or in the event of his death after the date of retirement, his estate or the person who acquires his option by bequest or inheritance or by reason of his death) shall have the right to exercise his option until the later of (i) the date three years after the date of such retirement or (ii) in the event that the participant's death occurs during such three-year period the date twelve months after the death of the participant (provided that this clause (ii) shall not apply to incentive stock options granted prior to March 10, 1987); but in no event later than the end of the option exercise period specified in the option.

(C) Retirement Due to Permanent Disability

If the employment of the participant with the Company or its subsidiaries shall terminate by reason of the participant's retirement due to Permanent Disability, the participant (or in the event of his death after the date of retirement, his estate or the person who acquires his option by bequest or inheritance or by reason of his death) shall have the right to exercise his option, to the extent that he could have exercised it at the date of such disability retirement, until the later of (i) the date twelve months after the date of such termination of employment or (ii) in the event that the participant's death occurs during such twelve-month period the date twelve months after the date of such death (provided that this clause (ii) shall not apply to incentive stock options granted prior to March 10, 1987); but in no event later than the end of the option exercise period specified in the option.

(D) Termination Due to Death

If a participant's employment by the Company and any subsidiary terminates by reason of death, any option held by the participant may thereafter be immediately exercised, to the extent then exercisable by his estate or the person who acquires his option by bequest or inheritance or by reason of his death for a period of one year from the date of such death or until the end of the option exercise period specified in the option, whichever period is the shorter.

(E) Miscellaneous

A participant who is absent from work with the Company or a subsidiary because of illness or temporary disability, or who is on leave of absence for such purpose or reason as the Committee may approve, shall not be deemed during the period of such absence, by reason of such absence, to have ceased to be an employee of the Company or a subsidiary. Where a cessation of employment is to be considered a retirement with the consent of the

Company or by reason of Permanent Disability for the purpose of this Plan shall be determined by the Committee, which determination shall be final and conclusive.

No option shall be exercisable unless at the time of exercise the shares are covered by a currently effective registration statement filed under the provisions of the Securities Act of 1933, as amended, or, in the sole opinion of the Company and its counsel, the purchase of the shares upon exercise of the option is otherwise exempt from the registration requirements of that Act.

Solely with respect to options granted prior to March 10, 1987, an option shall be exercisable only in units, consisting of one share of Class A Common Stock and one share of Class B Common Stock.

Each participant shall be required, as a condition of exercising any option, to make such arrangements with the Company as the Committee shall determine for withholding (including, but not limited to, the retention of shares by the Company or the delivery to the Company of shares, in each case equal in fair market value as described in Paragraph 5(f) to the amount of all or any portion of the withholding obligation pursuant to such rules as may be prescribed by the Committee) and, in the event of the death of a participant, a further condition of such exercise shall be the delivery to the Company of such tax waivers and other documents as the Committee shall determine. With the consent of the Committee, a participant may elect to have the Company retain a number of shares otherwise issuable on exercise of an option, or to deliver shares, in each case equal in fair market value as described in Paragraph 5(f) to the amount of all or any portion of the participant's federal, state and local income tax obligation resulting from such exercise determined at the participant's maximum marginal tax rates.

(d) Adjustments Upon Changes in Capitalization

If (i) the Company shall at any time be involved in a transaction to which Section 424(a) of the Code is applicable; (ii) the Company shall declare a dividend payable in any class of shares, or shall subdivide or combine, its shares; or (iii) any other event shall occur which in the judgment of the Committee necessitates action by way of adjusting the terms of the outstanding options, the Committee shall forthwith take any such action as in its judgment shall be necessary to preserve the participant's rights substantially proportionate to the rights existing prior to such event and to the extent that such action shall include an increase or decrease in the number of shares subject to outstanding options, the number of shares available under Paragraph 3 above shall be increased or decreased, as the case may be, proportionately. The judgment of the Committee with respect to any matter referred to in this Paragraph shall be conclusive and binding upon each participant.

In the event of the proposed dissolution or liquidation of the Company, or in the event of any proposed reorganization, merger or consolidation of the Company with one or more corporations as a result of which the Company is not the surviving corporation, or in the event of a proposed sale of all or substantially all of the principal and/or assets of the Company to another corporation, all options granted hereunder shall terminate as of a date to

be fixed by the Committee, provided that not less than 90 days' written notice of the date so fixed shall be given to each participant, and each participant shall have the right during such period to exercise his option as to all or any part of the shares covered thereby to the extent such option is then otherwise exercisable pursuant to the provisions of this Plan and of the option; and provided further, however, that the Board of Directors may, in their discretion, substitute or cause to be substituted new options for each such outstanding option, provided each such new option (i) applies to the stock of the new employer corporation or a parent or subsidiary corporation of such corporation, and (ii) is not more favorable to the participant than his prior option.

(e) Nontransferability of Options

No option shall be assigned or transferable, except by will or by the laws of descent and distribution.

(f) Payment for Stock

The option price payable upon exercise of an option shall be payable to the Company either (i) in cash (including check, bank draft, or money order), (ii) by delivery to the Company of shares of either class of common stock of the Company or a combination of common stock and cash, or (iii) to the extent authorized by the Committee, through the written election of the optionee to have shares of common stock withheld by the Company from the shares otherwise to be received. The value of any common stock so delivered or withheld shall be the fair market value of such common stock, as determined in good faith by the Committee, on the date of the stock option exercise.

(g) Limitation on Incentive Stock Options

With respect to incentive stock options granted before January 1, 1987, the aggregate fair market value (determined as of the time of the grant of such incentive stock option) of the stock covered by all incentive stock options granted by the Company to a participant during any calendar year (determined as of the date of their respective grants) shall not exceed \$100,000 plus any "unused limit carryover" (as hereinafter defined) to such calendar year. If, with respect to any calendar year subsequent to 1980, \$100,000 exceeds the fair market value of the stock for which an employee has been granted incentive stock options hereunder, an amount equal to 50 percent of such excess shall be an unused limit carryover to each of the three succeeding calendar years reduced by the amount of such unused limit carryover which, after first using the \$100,000 limitation to such calendar year, was used in prior calendar years.

With respect to incentive stock options granted after December 31, 1986, the aggregate fair market value (determined at the time the option is granted) of the stock with respect to which incentive stock options are exercisable for the first time by a participant during any calendar year (under all such plans of the individual's employer corporation and its parent and subsidiary corporations) shall not exceed \$100,000.



6. Term of Plan

No option shall be granted pursuant to the Plan after March 13, 2004.

7. Termination and Amendment of Plan

The Board of Directors of the Company may at any time amend, suspend or terminate the Plan, except that no amendment which would (a) increase the maximum number of shares which may be issued under options granted under this Plan or (b) change the class of employees eligible to receive options under this Plan or (c) change the qualifications for membership on the Committee, shall be effective unless, within twelve months before or after the Board adopts such amendment, it is approved by shareholders. No amendment, suspension or termination of this Plan shall, without the consent of the participant, terminate, or adversely affect the participant's rights under, any outstanding option.

8. Privileges of Stock Ownership

The holder of an option shall not be entitled to the privileges of stock ownership as to any shares of the Company not actually issued to him. No shares shall be issued upon the exercise of an option until all applicable legal requirements shall have been complied with to the satisfaction of the Company and its counsel.

9. Time of Granting of Options

The granting of an option pursuant to this Plan shall take place at the time the Committee makes a determination that an employee shall receive an option.

10. Construction

Words and terms used in this Plan which are defined or used in Sections 421, 422 or 424 of the Code shall, unless the context clearly requires otherwise, have the meanings assigned to them therein, in the regulations promulgated thereunder and in the decisions construing the provisions thereof. In all other respects, this Plan shall be governed by, and construed in accordance with, the laws of the State of Connecticut.

11. Provisions Relating to Change of Control

(i) Each option granted under this Plan after March 10, 1987, and each non-qualified option granted prior to this date shall, to the extent then exercisable determined after applying Paragraph 11(ii) below, have a limited right of surrender allowing a participant who is an Officer, or any other participant in the discretion of the Committee, to surrender his option within the 30-day period following the Change of Control and to receive in cash, in lieu of exercising the option, the amount by which the fair market value of the common stock which the option represents exceeds the option exercise price for all or part of the shares of common stock which are subject to the related option. For this purpose, the fair market value of common stock shall be determined as follows:

(a) if the share was a share of the Company's Class A Common Stock, the fair market value shall be deemed to be the closing price of one share of the Company's Class A Common Stock on the New York Stock Exchange on that day, within the 60 days preceding the date on which the Change of Control occurs, on which such closing price was the highest. In the event that the shares are not listed or admitted to trading on such exchange, the fair market value shall be deemed to be the closing price of one share of the Company's Class A Common Stock on the principal national securities exchange on which the shares are listed or admitted to trading, or, if the shares are not listed or admitted to trading on any national securities exchange, the average of the highest reported bid and lowest reported asked prices as furnished by the National Association of Securities Dealers, Inc. through the National Association of Securities Dealers Automated Quotation System ("NASDAQ") or similar organization if NASDAQ is no longer reporting such information. If on any such date the shares are not quoted by any such organization, the fair market value of the shares on such date, as determined in good faith by the Board of Directors of the Company, shall be used; or

(b) if the share was a share of the Company's Class B Common Stock, the fair market value shall be deemed to be the closing price of one share of the Company's Class B Common Stock on the New York Stock Exchange on that day, within the 60 days preceding the date on which the Change of Control occurs, on which such closing price was the highest. In the event that the shares are not listed or admitted to trading on such exchange, the fair market value shall be deemed to be the closing price of one share of the Company's Class B Common Stock on the principal national securities exchange on which the shares are listed or admitted to trading, or, if the shares are not listed or admitted to trading on any national securities exchange, the average of the highest reported bid and lowest reported asked prices as furnished by the National Association of Securities Dealers, Inc. through NASDAQ or similar organization if NASDAQ is no longer reporting such information. If on any such date the shares are not quoted by any such organization, the fair market value of the shares on such date, as determined in good faith by the Board of Directors of the Company, shall be used.

(ii) Notwithstanding any other provisions of this Plan, in the event of a Change of Control all outstanding options which are not then exercisable, except for incentive stock options granted on or after January 1, 1987, shall be immediately exercisable in full.

For purposes of this section the following definitions shall apply:

"Change of Control" shall mean any one of the following:

(w) Continuing Directors no longer constitute at least 2/3 of the Directors;

(x) any person or group of persons (as defined in Rule 13d-5 under the Securities Exchange Act of 1934), together with its affiliates, becomes the beneficial owner, directly or indirectly, of 20% or more of the voting power of the then outstanding securities of the Company entitled to vote for the election of the Company's Directors; provided that this Paragraph 11 shall not apply with respect to any holding of securities by (A) the trust under a Trust Indenture dated September 2, 1957 made by Louie E. Roche, (B) the trust under a Trust Indenture dated August 23, 1957 made by Harvey Hubbell, and (C) any employee benefit plan (within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended) maintained by the Company or any affiliate of the Company;

(y) the approval by the Company's stockholders of the merger or consolidation of the Company with any other corporation, the sale of substantially all of the assets of the Company or the liquidation or dissolution of the Company, unless, in the case of a merger or consolidation, the incumbent Directors in office immediately prior to such merger or consolidation will constitute at least 2/3 of the Directors of the surviving corporation of such merger or consolidation and any parent (as such term is defined in Rule 12b-2 under the Securities Exchange Act of 1934) of such corporation; or

(z) at least 2/3 of the incumbent Directors in office immediately prior to any other action proposed to be taken by the Company's stockholders determine that such proposed action, if taken, would constitute a change of control of the Company and such action is taken.

"Continuing Director" shall mean any individual who is a member of the Company's Board of Directors on December 9, 1986 or was designated (before such person's initial election as a Director) as a Continuing Director by 2/3 of the then Continuing Directors.

"Director" shall mean any individual who is a member of the Company's Board of Directors on the date the action in question was taken.

"Officer" shall mean each of the officers specified in Section 1 of Article IV of the by-laws of the Company except for any such officer whose title begins with the word "Assistant".

\* \* \* \* \*

Adopted by the Board of Directors on March 13, 1973 and amended May 5, 1980, December 9, 1980, March 9, 1982, June 12, 1985, March 10, 1987, May 7, 1990, September 12, 1991, and May 2, 1994.

HUBBELL INCORPORATED  
 Computation of Earnings Per Share  
 (in thousands, except per share amounts)

	Three Months Ended March 31,	
	1994	1993
Net Income	\$ 24,328 =====	\$ 24,205 =====
Weighted average number of common shares outstanding during the year	31,286	31,193
Common equivalent shares	427 -----	429 -----
Average number of shares outstanding	31,713 =====	31,622 =====
Earnings per share	\$ 0.77 =====	\$ 0.76 =====