

# MOLSON COORS BREWING CO

## FORM 10-Q (Quarterly Report)

Filed 7/26/1995 For Period Ending 6/11/1995

Address	P.O. BOX 4030, MAIL #NH375 GOLDEN, Colorado 80401
Telephone	303-277-3271
CIK	0000024545
Industry	Beverages (Alcoholic)
Sector	Consumer/Non-Cyclical
Fiscal Year	12/28

# U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

For Quarter ended June 11, 1995

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934 (NO FEE REQUIRED)

*Commission file number 0-8251*

## ADOLPH COORS COMPANY

(Exact name of registrant as specified in its charter)

COLORADO  
(State or other jurisdiction of  
incorporation or organization)

84-0178360  
(I.R.S. Employer Identification No.)

Golden, Colorado  
(Address of principal executive offices)

80401  
(Zip Code)

303-279-6565  
(Registrant's telephone number, including area code)

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

Title of each class Name of each exchange on which registered  
None None

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

**Class B Common Stock (non-voting), no par value**  
(Title of class)

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 ☒ NO ☐

State the aggregate market value of the voting stock held by non-affiliates of the registrant: All voting shares are held by Adolph Coors, Jr. Trust.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of July 19, 1995:

Class A Common Stock - 1,260,000 shares Class B Common Stock - 37,160,679 shares

## PART I. FINANCIAL INFORMATION

### Item 1. Financial Statements

#### ADOLPH COORS COMPANY AND SUBSIDIARIES CONSOLIDATED STATEMENT OF INCOME

	Twelve weeks ended	
	June 11, 1995	June 12, 1994
	-----	-----
	(In thousands, except per share data)	
SALES	\$ 491,377	\$ 527,088
Less - beer excise taxes	( 91,866)	( 94,872)
	-----	-----
NET SALES	399,511	432,216
	-----	-----
Costs and expenses:		
Cost of goods sold	248,473	254,637
Marketing, general and administrative	120,450	127,693
Research and project development	3,368	3,313
	-----	-----
Total operating expenses	372,291	385,643
	-----	-----
OPERATING INCOME	27,220	46,573
	-----	-----
Other expense - net	1,105	2,567
	-----	-----
Income before income taxes	26,115	44,006
	-----	-----
Income tax expense	10,935	20,100
	-----	-----
NET INCOME	\$ 15,180	\$ 23,906
	=====	=====
NET INCOME PER SHARE OF COMMON STOCK	\$ 0.40	\$ 0.63
	=====	=====
Weighted average number of outstanding shares of common stock	38,352	38,276
	=====	=====
Cash dividends declared per share of common stock	\$ 0.125	\$ 0.125
	=====	=====

ADOLPH COORS COMPANY AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF INCOME

	Twenty-four weeks ended	
	June 11, 1995	June 12, 1994
	(In thousands, except per share data)	
SALES	\$ 894,005	\$ 917,335
Less - beer excise taxes	( 167,906)	( 166,666)
NET SALES	726,099	750,669
Costs and expenses:		
Cost of goods sold	470,606	465,889
Marketing, general and administrative	219,546	220,619
Research and project development	6,690	5,510
Total operating expenses	696,842	692,018
OPERATING INCOME	29,257	58,651
Other expense - net	2,985	2,411
Income before income taxes	26,272	56,240
Income tax expense	11,000	25,400
NET INCOME	\$ 15,272	\$ 30,840
	=====	=====
NET INCOME PER SHARE OF COMMON STOCK	\$ 0.40	\$ 0.81
	=====	=====
Weighted average number of outstanding shares of common stock	38,340	38,246
	=====	=====
Cash dividends declared per share of common stock	\$ 0.250	\$ 0.250
	=====	=====

ADOLPH COORS COMPANY AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEET

	June 11, 1995	December 25, 1994
	-----	-----
	(In thousands)	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 12,263	\$ 27,168
Accounts and notes receivable	128,125	106,327
Inventories:		
Finished	66,650	67,500
In process	32,468	22,918
Raw materials	16,288	38,108
Packaging materials	18,098	13,078
	-----	-----
Total inventories	133,504	141,604
Other assets	70,600	80,067
	-----	-----
Total current assets	344,492	355,166
	-----	-----
PROPERTIES, at cost, less accumulated depreciation, depletion and amortiza- tion of \$1,277,800 in 1995 and \$1,220,836 in 1994	928,723	922,208
OTHER ASSETS	102,061	94,202
	-----	-----
TOTAL ASSETS	\$1,375,276	\$1,371,576
	=====	=====

ADOLPH COORS COMPANY AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEET

	June 11, 1995	December 25, 1994
	-----	-----
	(In thousands)	
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current portion of long-term debt	\$ 44,000	\$ 44,000
Short-term borrowings	51,600	--
Accounts payable	122,908	164,430
Accrued expenses and other liabilities	154,606	171,784
	-----	-----
Total current liabilities	373,114	380,214
	-----	-----
LONG-TERM DEBT	131,000	131,000
DEFERRED TAX LIABILITY	73,010	71,660
OTHER LONG-TERM LIABILITIES	115,427	114,501
	-----	-----
Total liabilities	692,551	697,375
	-----	-----
SHAREHOLDERS' EQUITY:		
Capital stock:		
Preferred stock, non-voting, \$1 par value, 25,000,000 shares authorized and no shares issued	--	--
Class A common stock, voting, \$1 par value, authorized and issued 1,260,000 shares	1,260	1,260
Class B common stock, non-voting, no par value, 100,000,000 authorized and 46,200,000 shares issued	11,000	11,000
	-----	-----
	12,260	12,260
Paid-in capital	57,462	56,758
Retained earnings	629,101	623,418
Other	3,256	1,238
	-----	-----
	702,079	693,674
Less - treasury stock, at cost, Class B shares, 9,070,027 in 1995 and 9,133,060 in 1994	19,354	19,473
	-----	-----
Total shareholders' equity	682,725	674,201
	-----	-----
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$1,375,276	\$1,371,576
	=====	=====

ADOLPH COORS COMPANY AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF CASH FLOWS

	For the twenty-four weeks ended	
	June 11, 1995	June 12, 1994
	-----	-----
	(In thousands)	
Cash flows from operating activities:		
Net income	\$ 15,272	\$ 30,840
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion and amortization	56,964	54,647
Change in accumulated deferred income taxes	1,350	14,887
(Gain) Loss on sale or abandonment of properties	1,542	( 462)
Change in current assets and current liabilities	( 66,622)	( 50,183)
Change in non-current assets and liabilities	( 6,758)	663
	-----	-----
Net cash provided by operating activities	1,748	50,392
	-----	-----
Cash flows from investing activities:		
Additions to properties	( 62,685)	( 72,257)
Proceeds from sale of properties	514	1,993
Additions to intangible assets	--	( 13,852)
Other	( 2,419)	( 513)
	-----	-----
Net cash (used in) investing activities	( 64,590)	( 84,629)
	-----	-----
Cash flows from financing activities:		
Exercise of stock options, net of related notes receivable	823	1,328
Dividends paid	( 4,791)	( 4,779)
Short-term borrowings	51,600	--
Other	( 147)	--
	-----	-----
Net cash (used in) provided by financing activities	47,485	( 3,451)
	-----	-----
Cash and cash equivalents:		
Net (decrease) in cash and cash equivalents	( 15,357)	( 37,688)
Effect of exchange rate changes	452	--
Balance at beginning of year	27,168	82,211
	-----	-----
Balance at end of quarter	\$ 12,263	\$ 44,523
	=====	=====

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

### **Sales and Volume:**

Adolph Coors Company (ACC) reported net sales of \$399.5 million and \$726.1 million for the second quarter and first half of 1995, representing 7.6% and 3.3% decreases, respectively, from the comparable periods in the prior year. ACC's single direct subsidiary, Coors Brewing Company (CBC), had malt beverage barrel sales of 4,842,000 for the second quarter of 1995 compared to 5,166,000 barrels sold in the second quarter of 1994, a decrease of 6.3%. Malt beverage sales for the first half of 1995 declined 2.7% to 8,826,000 barrels from 9,073,000 for the same period of 1994. This decrease in sales volume for the first half of 1995 resulted primarily from a decrease in sales of Zima Clearmalt offset in part by a slight increase in sales of premium- and-above beer products.

### **Gross Profit:**

Gross profit as a percentage of net sales for the second quarter of 1995 declined to 37.8% from 41.1% for the same period a year earlier. Gross profit as a percentage of net sales for the first half of 1995 declined to 35.2% from 37.9% for the first half of 1994. These declines, for the quarter and the year, resulted primarily from increased aluminum and other packaging costs and lower sales volume of Zima Clearmalt, which has a higher gross profit percentage than other brands.

### **Operating Income:**

Operating income for the second quarter of 1995 decreased 41.6% to \$27.2 million compared to \$46.6 million for the second quarter of 1994. Operating income for the first half of 1995 decreased 50.1% to \$29.3 million from \$58.7 million in 1994. Lower operating income was the result of a decline in gross profit of \$26.5 million and \$29.3 million for the second quarter and first half of 1995, respectively, and slightly higher research and development costs, offset in part by lower marketing, general and administrative expenses of 5.7% and .5% for the second

quarter and first half of 1995, respectively. The decrease in marketing, general and administrative expense was primarily due to a decrease in marketing expense for 1995, when compared to 1994's costs which included Zima's national expansion. The decrease in marketing expense was partially offset by a 4.7% increase in general and administrative expense from 1994. General and administrative expense for the first half of 1994 benefited from planned but unfilled positions resulting from the 1993 reduction in the Company's white-collar work force. Subsequent to the second quarter of 1994 the majority of these positions were filled.

#### **Non-Operating Expenses:**

Other expense - net was \$1.1 million for the second quarter of 1995 compared to \$2.6 million for the same period a year earlier. The decline was primarily due to lower net-interest expense and a gain on the sale of properties. This decline in net interest expense resulted from the payment of \$50.0 million of principal on ACC's medium-term notes in the third quarter of 1994.

Other expense - net was \$3.0 million for the first half of 1995 compared to \$2.4 million for the same period a year earlier. The net increase of \$.6 million is primarily the result of the benefit of a one-time pre-tax gain of approximately \$2.1 million on the sale of a company-owned distributorship in 1994 offset by lower net interest expense resulting from the scheduled 1994 payment of principal on ACC's medium-term notes.

#### **Effective Tax Rate:**

The consolidated effective tax rate for the second quarter and first half of 1995 decreased to 41.9% compared to 45.7% and 45.2%, respectively, for the same periods of 1994. The 1994 effective tax rate included a valuation allowance for a deferred tax asset, whereas the 1995 effective tax rate does not include such an allowance.

#### **Net Income:**

Consolidated net income for the second quarter and first half of 1995 was \$15.2 million, or \$0.40 per share and \$15.3 million, or \$0.40 per share. This compares to \$23.9 million, or \$0.63 per share and \$30.8 million, or \$0.81 per share for the same periods a year earlier.

#### **Working Capital Changes:**

Total current liabilities exceeded total current assets by \$28.6 million at June 11, 1995. While there has not been a significant change in working capital position since year end 1994, ACC has incurred short-term borrowings of \$51.6 million under a line of credit. The \$51.6 million of short-term borrowings and a \$14.9 million decline in cash and equivalents relate to the decrease in accounts payable from the end of 1994. Other working capital component changes since year end 1994 include seasonal increases in accounts receivable, in process inventories and packaging material inventories offset by declines in other current assets and raw materials. The decline in other current assets relates primarily to a decline in prepaid income and VAT taxes. The decrease in raw materials relates to seasonal usage of barley.

#### **Cash Flows from Operating Activities:**

Net cash provided by consolidated operating activities for the first half of 1995 was \$1.8 million, down from \$50.4 million for the same period a year ago. This decrease resulted primarily from changes relative to 1994 in net income, accumulated deferred income taxes, accounts receivable and accounts payable balances.

Deferred income taxes increased by \$14.9 million in 1994 compared to a \$1.4 million increase in 1995. The 1994 increase in deferred taxes related to the reversal of several temporary differences which were not deductible in 1993.

Accounts receivable and notes receivable increased by \$41.1 million in 1994 compared to a \$21.8 million increase in 1995. The 1994 increase in accounts and notes receivable relates to a substantial build in inventories at CBC's distributors from the end of 1993.

Accounts payable decreased by \$10.7 million in 1994 compared to a decrease of \$41.5 million in 1995. Higher accounts payable at year end 1994 were due primarily to amounts owed by CBC to the can and end joint venture between CBC and American National Can.

#### **Cash Flows from Investing Activities:**

Cash flows used in investing activities for the first half of 1995 decreased \$20.0 million from the comparable period last year. Higher property and intangible asset additions in 1994 were the result of purchases of a brewery in Spain and a distributorship in California.

#### **Cash Flows from Financing Activities:**

Cash flows provided by financing activities reflects a substantial increase in short-term borrowings under ACC's line of credit. The other principal activity was dividends paid to shareholders.

On July 14, 1995, ACC completed a \$100 million private placement of debt with \$80.0 million having a 7-year maturity and \$20.0 million having a 10-year maturity. Interest will be paid on a semi-annual basis at rates between 6.76% and 6.95%. The proceeds will be used to repay \$44.0 million of publicly-held medium-term notes and to fund seasonal working capital needs.

#### **Outlook:**

In late March 1995, CBC and Anchor Glass Container Corporation entered into a long-term partnership to produce glass bottles at the Coors glass manufacturing facility. The partnership, Rocky Mountain Bottle Company, will modernize the plant and expand its capacity by one-third. The necessary licenses and environmental permits were obtained in late June 1995. In addition to the Rocky Mountain Bottle Company partnership, the companies entered into another agreement that will make Anchor Glass a long-term, preferred supplier for CBC.



In July, 1995, CBC announced an agreement in principal with Trigen/Nations to sell its power plant equipment and support facilities for approximately \$22.0 million. The agreement in principle also provides for a significant investment by Trigen/Nations to upgrade the facilities. In return, Coors will enter into a long-term arrangement with Trigen/Nations to purchase the electricity and steam needed to operate the brewery's Golden facilities, including the can, end and glass manufacturing operations.

As previously disclosed, the Company expects a continuation of a significant increase in cost of goods sold (COGS) in 1995 over 1994 primarily due to increased costs of aluminum and other packaging materials.

The Company expects that volume gains, modest price increases, productivity gains arising from restructuring efforts and benefits derived from the Company's joint venture with American National Can Company will offset in part increases in COGS. These offsets are expected to benefit the third and fourth quarters.

These statements should be read in conjunction with the financial statements and notes thereto included in the Company's Form 10-K for the year ended December 25, 1994. The accompanying financial statements have not been examined by the Company's independent accountants in accordance with generally accepted auditing standards, but in the opinion of management of Adolph Coors Company, such financial statements include all adjustments necessary to present fairly the Company's financial position and results of operations. The results of operations for the 24 weeks ended June 11, 1995, may not be indicative of results that may be expected for the year ending December 31, 1995.

## PART II. OTHER INFORMATION

### Item 1. Legal Proceedings

In January 1992, ACC and CBC (as well as two former affiliates that are now subsidiaries of ACX Technologies, Inc.) were sued by TransRim Enterprises (USA) Ltd. in Federal District Court for the District of Colorado. TransRim alleged that the defendants misused confidential information and breached an implied contract to proceed with a joint venture project to build and operate a paper board mill. TransRim initially claimed damages totaling \$159 million based on a number of theories, some of which were dismissed from the case by the judge granting the defendants' motion for partial summary judgment. A jury trial was held in April 1994, and the jury returned a verdict in favor of all defendants on all claims. The U.S. Court of Appeals, 10th Judicial Circuit, upheld the verdict in a decision rendered April 7, 1995. TransRim's petition to have the 10th Circuit rehear the appeal has been denied.

### Item 6. Exhibits and Reports on Form 8-K.

#### (a) Exhibits

The Exhibit filed as part to this report is listed below.

Exhibit No. -----	Description -----
10.6	Adolph Coors Company Equity Incentive Plan. Amended and restated, effective May 31, 1995.
10.12	Adolph Coors Company Equity Compensation Plan for Non-Employee Directors. Amended and restated, effective February 16, 1995.

#### (b) Reports on Form 8-K

None.

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.

**ADOLPH COORS COMPANY**

By /s/ Timothy V. Wolf  
-----  
Timothy V. Wolf  
Vice President, Treasurer,  
Chief Financial Officer  
(Principal Financial Officer)  
(Principal Accounting Officer)

July 26, 1995

**ARTICLE 5**

CIK: 0000024545

NAME: ADOLPH COORS COMPANY

MULTIPLIER: 1000

CURRENCY: US DOLLAR

PERIOD TYPE	6 MOS
FISCAL YEAR END	DEC 31 1995
PERIOD START	MAR 20 1995
PERIOD END	JUN 11 1995
EXCHANGE RATE	1
CASH	12263
SECURITIES	0
RECEIVABLES	128125
ALLOWANCES	0
INVENTORY	133504
CURRENT ASSETS	344492
PP&E	928723
DEPRECIATION	0
TOTAL ASSETS	1375276
CURRENT LIABILITIES	373114
BONDS	131000
COMMON	12260
PREFERRED MANDATORY	0
PREFERRED	0
OTHER SE	670465
TOTAL LIABILITY AND EQUITY	1375276
SALES	894005
TOTAL REVENUES	726099
CGS	470606
TOTAL COSTS	696842
OTHER EXPENSES	2985
LOSS PROVISION	0
INTEREST EXPENSE	0
INCOME PRETAX	26272
INCOME TAX	11000
INCOME CONTINUING	15272
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	15272
EPS PRIMARY	.40
EPS DILUTED	.40

**ADOLPH COORS COMPANY**

**EQUITY INCENTIVE PLAN**

Amended and restated,  
effective May 31, 1995

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Amended and restated,  
effective May 31, 1995

## Section 1

### Introduction

1.1 Establishment and Amendment. Adolph Coors Company, a Colorado corporation (hereinafter referred to, together with its Affiliated Corporations (as defined in subsection 2.1(a)) as the "Company" except where the context otherwise requires), established the Adolph Coors Company Equity Incentive Plan (the "Plan") for certain key employees of the Company. The Plan, which permits the grant of stock options and restricted stock awards to certain key employees of the Company, was originally effective January 1, 1990. Pursuant to the power granted in Section 16 (Section 14 prior to the Plan's amendment and restatement), the Company hereby amends and restates the Plan in its entirety, effective May 31, 1995.

1.2 Purposes. The purposes of the Plan are to provide the key management employees selected for participation in the Plan with added incentives to continue in the service of the Company and to create in such employees a more direct interest in the future success of the operations of the Company by relating incentive compensation to the achievement of long-term corporate economic objectives, so that the income of the key management employees is more closely aligned with the income of the Company's shareholders. The Plan is also designed to attract key employees and to retain and motivate participating employees by providing an opportunity for investment in the Company.

1.3 Effective Date. The original effective date of the Plan (the "Effective Date") was January 1, 1990. The Plan, each amendment to the Plan, and each option or other award granted hereunder is conditioned on and shall be of no force or effect until approval of the Plan by the holders of the shares of voting stock of the Company unless the Company, on the advice of counsel, determines that shareholder approval is not necessary.

## Section 2

### Definitions

2.1 Definitions. The following terms shall have the meanings set forth below:

(a) "Affiliated Corporation" means any corporation or other entity (including but not limited to a partnership) which is affiliated with Adolph Coors Company through stock ownership or otherwise and is treated as a common employer under the provisions of Sections 414(b) and (c) of the Internal Revenue Code.

(b) "Award" means an Option or a Restricted Stock Award issued hereunder, an offer to purchase Stock made hereunder, or a grant of Stock made hereunder.

(c) "Board" means the Board of Directors of the Company.

(d) "Committee" means a committee consisting of members of the Board who are empowered hereunder to take actions in the administration of the Plan. The Committee shall be so constituted at all times as to permit the Plan to comply with Rule 16b-3 or any successor rule promulgated under the Securities Exchange Act of 1934 (the "1934 Act"). Members of the Committee shall be appointed from time to time by the Board, shall serve at the pleasure of the Board and may resign at any time upon written notice to the Board.

(e) "Effective Date" means the original effective date of the Plan, January 1, 1990.

(f) "Eligible Employees" means those key management employees (including, without limitation, officers and directors who are also employees) of the Company or any division thereof, upon whose judgment, initiative and efforts the Company is, or will become, largely dependent for the successful conduct of their business.

(g) "Fair Market Value" means the average of the highest and lowest prices of the Stock as reported on the National Association of Securities Dealers Automated Quotation System ("NASDAQ") on a particular date. If there are no Stock transactions on such date, the Fair Market Value shall be determined as of the immediately preceding date on which there were Stock transactions. If the price of the Stock is not reported on NASDAQ, the Fair Market Value of the Stock on the particular date shall be as determined by the Committee using a reference comparable to the NASDAQ system. If, upon exercise of an Option, the exercise price is paid by a broker's transaction as provided in section 7.2(g) (ii)(D), Fair Market Value, for purposes of the exercise, shall be the price at which the Stock is sold by the broker.

(h) "Internal Revenue Code" means the Internal Revenue Code of 1986, as it may be amended from time to time.



(i) "Option" means a right to purchase Stock at a stated price for a specified period of time. All Options granted under the Plan shall be "non-qualified stock options" whose grant is not intended to fall under the provisions of Section 422A of the Internal Revenue Code.

(j) "Option Price" means the price at which shares of Stock subject to an Option may be purchased, determined in accordance with subsection 7.2(b).

(k) "Participant" means an Eligible Employee designated by the Committee from time to time during the term of the Plan to receive one or more of the Awards provided under the Plan.

(l) "Restricted Stock Award" means an award of Stock granted to a Participant pursuant to Section 8 that is subject to certain restrictions imposed in accordance with the provisions of such Section.

(m) "Stock" means the no par value Class B (non-voting) Common Stock of the Company.

(n) "Voting Stock" means the \$1.00 par value Class A Common Stock of the Company.

**2.2 Gender and Number.** Except when otherwise indicated by the context, the masculine gender shall also include the feminine gender, and the definition of any term herein in the singular shall also include the plural.

### Section 3

#### **Plan Administration**

The Plan shall be administered by the Committee. In accordance with the provisions of the Plan, the Committee shall, in its sole discretion, select the Participants from among the Eligible Employees, determine the Options, Restricted Stock Awards and other Awards to be granted pursuant to the Plan, the number of shares of Stock to be issued thereunder and the time at which such Options and Restricted Stock Awards are to be granted, fix the Option Price, period and manner in which an Option becomes exercisable, establish the duration and nature of Restricted Stock Award restrictions establish the terms and conditions on which an offer to purchase Stock will be made, and establish such other terms and requirements of the various compensation incentives under the Plan as the Committee may deem necessary or desirable and consistent with the terms of the Plan. The Committee shall determine the form or forms of the agreements with Participants which shall evidence the particular provisions, terms, conditions, rights and duties of the Company and the Participants with respect to Awards granted pursuant to the Plan, which provisions need not be identical except as may be provided herein. The Committee may from time to time adopt such rules and regulations for carrying out the purposes of the Plan as it may deem proper and in the best interests of the Company. The Committee may correct any defect, supply any omission or reconcile any inconsistency in the Plan or in any agreement entered into hereunder in the manner and to the extent it shall deem expedient and it shall be the sole and final judge of such expediency. No member of the Committee shall be liable for any action or determination made in good faith. The determinations, interpretations and other actions of the Committee pursuant to the provisions of the Plan shall be binding and conclusive for all purposes and on all persons.

### Section 4

#### **Stock Subject to the Plan**

**4.1 Number of Shares.** Five Million (5,000,000) shares of Stock are authorized for issuance under the Plan in accordance with the provisions of the Plan and subject to such restrictions or other provisions as the Committee may from time to time deem necessary. This authorization may be increased from time to time by approval of the Board and by the shareholders of the Company if, in the opinion of counsel for the Company, such shareholder approval is required. Shares of Stock that may be issued upon exercise of Options, that are issued as Restricted Stock Awards, that are purchased under the Plan, and that are used as incentive compensation under the Plan shall be applied to reduce the maximum number of shares of Stock remaining available for use under the Plan. The Company shall at all times during the term of the Plan and while any Options are outstanding retain as authorized and unissued Stock at least the number of shares from time to time required under the provisions of the Plan, or otherwise assure itself of its ability to perform its obligations hereunder.

**4.2 Other Shares of Stock.** Any shares of Stock that are subject to an Option that expires or for any reason is terminated unexercised, any shares of Stock that are subject to an Award (other than an Option) and that are forfeited, any shares of Stock withheld for the payment of taxes or received by the Company as payment of the exercise price of an Option and any shares of Stock that for any other reason are not issued to an Eligible Employee or are forfeited shall automatically become available for use under the Plan. However, any shares of Stock that are subject to an Award (other than an Option) and that are forfeited and any shares of Stock that are withheld for the payment of taxes or received by the Company as payment of the exercise price of an Option shall be available for use under the Plan.

**4.3 Adjustments for Stock Split, Stock Dividend, Etc.** If the Company shall at any time increase or decrease the number of its outstanding shares of Stock or change in any way the rights and privileges of such shares by means of the payment of a stock dividend or any other distribution upon such shares payable in Stock, or through a stock split, subdivision, consolidation, combination, reclassification or recapitalization involving the Stock, then in relation to the Stock that is affected by one or more of the above events, the numbers, rights and privileges of the following shall be increased, decreased or changed in like manner as if they had been issued and outstanding, fully paid and

nonassessable at the time of such occurrence: (i) the shares of Stock as to which Awards may be granted under the Plan; and (ii) the shares of the Stock then included in each outstanding Award granted hereunder.

#### 4.4 Other Distributions and Changes in the Stock. If

(a) the Company shall at any time distribute with respect to the Stock assets or securities of persons other than the Company (excluding cash or distributions referred to in Section 4.3),

(b) the Company shall at any time grant to the holders of its Stock rights to subscribe pro rata for additional shares thereof or for any other securities of the Company, or

(c) there shall be any other change (except as described in Section 4.3), in the number or kind of outstanding shares of Stock or of any stock or other securities into which the Stock shall be changed or for which it shall have been exchanged, and if the Committee shall in its discretion determine that the event described in subsection (a), (b), or (c) above equitably requires an adjustment in the number or kind of shares subject to an Option or other Award, an adjustment in the Option Price or the taking of any other action by the Committee, including without limitation, the setting aside of any property for delivery to the Participant upon the exercise of an Option or the full vesting of an Award, then such adjustments shall be made, or other action shall be taken, by the Committee and shall be effective for all purposes of the Plan and on each outstanding Option or Award that involves the particular type of stock for which a change was effected. Notwithstanding the foregoing provisions of this Section 4.4, pursuant to Section 8.3 below, a Participant holding Stock received as a Restricted Stock Award shall have the right to receive all amounts, including cash and property of any kind, distributed with respect to the Stock upon the Participant's becoming a holder of record of the Stock.

4.5 General Adjustment Rules. No adjustment or substitution provided for in this Section 4 shall require the Company to sell a fractional share of Stock under any Option, or otherwise issue a fractional share of Stock, and the total substitution or adjustment with respect to each Option and other Award shall be limited by deleting any fractional share. In the case of any such substitution or adjustment, the total Option Price for the shares of Stock then subject to the Option shall remain unchanged but the Option Price per share under each such Option shall be equitably adjusted by the Committee to reflect the greater or lesser number of shares of Stock or other securities into which the Stock subject to the Option may have been changed, and appropriate adjustments shall be made to Restricted Stock Awards to reflect any such substitution or adjustment.

4.6 Determination by the Committee, Etc. Adjustments under this Section 4 shall be made by the Committee, whose determinations with regard thereto shall be final and binding upon all parties thereto.

### Section 5

#### **Reorganization or Liquidation**

If the Company is merged or consolidated with another corporation and the Company is not the surviving corporation, or if all or substantially all of the assets or more than 50% of the outstanding voting stock of the Company is acquired by any other corporation, business entity or person, or in case of a reorganization (other than a reorganization under the United States Bankruptcy Code), including a divisive reorganization under Section 355 of the Code, or liquidation of the Company, and if the provisions of Section 12 do not apply, the Committee, or the board of directors of any corporation assuming the obligations of the Company, shall, as to the Plan and outstanding Options and other Awards, either (i) make appropriate provision for the adoption and continuation of the Plan by the acquiring or successor corporation and for the protection of any such outstanding Options and other Awards by the substitution on an equitable basis of appropriate stock of the Company or of the merged, consolidated or otherwise reorganized corporation that will be issuable with respect to the Stock, provided that no additional benefits shall be conferred upon the Participants holding such Options and other Awards as a result of such substitution, and the excess of the aggregate Fair Market Value of the shares subject to the Options immediately after such substitution over the Option Price thereof is not more than the excess of the aggregate Fair Market Value of the shares subject to such Options immediately before such substitution over the Option Price thereof, or (ii) upon written notice to the Participants, provide that all unexercised Options must be exercised within a specified number of days of the date of such notice or they will be terminated. In the latter event, the Committee shall accelerate the exercise dates of outstanding Options and accelerate the restriction period and modify the performance requirements for any outstanding Awards so that all Options and other Awards become fully vested prior to any such event.

### Section 6

#### **Participation**

6.1 In General. Participants in the Plan shall be those Eligible Employees who, in the judgment of the Committee, are performing, or during the term of their incentive arrangement will perform, vital services in the management, operation and development of the Company or an Affiliated Corporation, and significantly contribute, or are expected to significantly contribute, to the achievement of long-term corporate economic objectives. Participants may be granted from time to time one or more Awards; provided, however, that the grant of each such Award shall be separately approved by the Committee, and receipt of one such Award shall not result in automatic receipt of any other Award. Upon determination by the Committee that an Award is to be granted to a Participant, written notice shall be given to such person, specifying the terms, conditions, rights and duties related thereto. Each Participant shall, if required by the Committee, enter into an agreement with the

Company, in such form as the Committee shall determine and that is consistent with the provisions of the Plan, specifying such terms, conditions, rights and duties. Awards shall be deemed to be granted as of the date specified in the grant resolution of the Committee, which date shall be the date of any related agreement with the Participant. In the event of any inconsistency between the provisions of the Plan and any such agreement entered into hereunder, the provisions of the Plan shall govern.

6.2 Restriction on Award Grants to Certain Individuals. Notwithstanding the foregoing provisions of Section 6.1, no Awards shall be granted to any lineal descendant of Adolph Coors, Jr. without the prior written approval of counsel to the Company as to the effect of any such grant on the possible status of the Company as a "personal holding company" within the meaning of Section 542 of the Internal Revenue Code.

## Section 7

### Stock Options

7.1 Grant of Stock Options. Coincident with or following designation for participation in the Plan, a Participant may be granted one or more Options. In no event shall the exercise of one Option affect the right to exercise any other Option or affect the number of shares of Stock for which any other Option may be exercised, except as provided in subsection 7.2(j).

7.2 Stock Option Certificates. Each Option granted under the Plan shall be evidenced by a written stock option certificate. A stock option certificate shall be issued by the Company in the name of the Participant to whom the Option is granted (the "Option Holder") and shall incorporate and conform to the conditions set forth in this Section 7.2, as well as such other terms and conditions, not inconsistent herewith, as the Committee may consider appropriate in each case.

(a) Number of Shares. Each stock option agreement shall state that it covers a specified number of shares of the Stock, as determined by the Committee.

(b) Price. The price at which each share of Stock covered by an Option may be purchased shall be determined in each case by the Committee and set forth in the stock option certificate.

(c) Duration of Options; Restrictions on Exercise. Each stock option agreement shall state the period of time, determined by the Committee, within which the Option may be exercised by the Option Holder (the "Option Period"), and shall also set forth any installment or other restrictions on Option exercise during such period, if any, as may be determined by the Committee.

(d) Termination of Employment, Death, Disability, Etc. Each stock option agreement shall provide as follows with respect to the exercise of the Option upon termination of the employment or the death of the Option Holder:

(i) If the employment of the Option Holder is terminated within the Option Period for cause, as determined by the Company, the Option shall thereafter be void for all purposes. As used in this subsection 7.2(d), "cause" shall mean a gross violation, as determined by the Company, of the Company's established policies and procedures, provided that the effect of this subsection 7.2(d) shall be limited to determining the consequences of a termination and that nothing in this subsection 7.2(d) shall restrict or otherwise interfere with the Company's discretion with respect to the termination of any employee.

(ii) If the Option Holder retires from employment by the Company or its affiliates during the Option Period pursuant to the Company's retirement policy, or if the Option Holder becomes disabled (as determined pursuant to the Company's Long-Term Disability Plan), the Option may be exercised by the Option Holder, or in the case of death by the persons specified in subsection (iii) of this subsection 7.2(d), within thirty-six months following his or her retirement or disability (provided that such exercise must occur within the Option Period), but not thereafter. In any such case, the Option may be exercised only as to the shares as to which the Option had become exercisable on or before the date of the Option Holder's termination of employment.

(iii) If the Option Holder dies during the Option Period while still employed or within the three-month period referred to in (iv) below, or within the thirty-six-month period referred to in (ii) above, the Option may be exercised by those entitled to do so under the Option Holder's will or by the laws of descent and distribution within fifteen months following the Option Holder's death, (provided that such exercise must occur within the Option Period), but not thereafter. In any such case, the Option may be exercised only as to the shares as to which the Option had become exercisable on or before the date of the Option Holder's death.

(iv) If the employment of the Option Holder by the Company is terminated (which for this purpose means that the Option Holder is no longer employed by the Company or by an Affiliated Corporation) within the Option Period for any reason other than cause, retirement pursuant to the Company's retirement policy, disability or the Option Holder's death, the Option may be exercised by the Option Holder within three months following the date of such termination (provided that such exercise must occur within the Option Period), but not thereafter. In any such case, the Option may be exercised only as to the shares as to which the Option had become exercisable on or before the date of termination of employment.

(e) Transferability. Each stock option agreement shall provide that the Option granted therein is not transferable by the Option Holder except by will or pursuant to the laws of descent and distribution, and that such Option is exercisable during the Option Holder's lifetime only by him or her, or in the event of disability or incapacity, by his or her guardian or legal representative.

(f) Agreement to Continue in Employment. Each stock option agreement shall contain the Option Holder's agreement to remain in the employment of the Company, at the pleasure of the Company, for a continuous period of at least one year after the date of such stock option agreement, at the salary rate in effect on the date of such agreement or at such changed rate as may be fixed, from time to time, by the Company.

(g) Exercise, Payments, Etc.

(i) Each stock option agreement shall provide that the method for exercising the Option granted therein shall be by delivery to the Corporate Secretary of the Company of written notice specifying the number of shares with respect to which such Option is exercised and payment of the Option Price. Such notice shall be in a form satisfactory to the Committee and shall specify the particular Option (or portion thereof) which is being exercised and the number of shares with respect to which the Option is being exercised. The exercise of the Stock Option shall be deemed effective upon receipt of such notice by the Corporate Secretary and payment to the Company. If requested by the Company, such notice shall contain the Option Holder's representation that he or she is purchasing the Stock for investment purposes only and his or her agreement not to sell any Stock so purchased in any manner that is in violation of the Securities Act of 1933, as amended, or any applicable state law. Such restrictions, or notice thereof, shall be placed on the certificates representing the Stock so purchased. The purchase of such Stock shall take place at the principal offices of the Company upon delivery of such notice, at which time the purchase price of the Stock shall be paid in full by any of the methods or any combination of the methods set forth in

(ii) below. A properly executed certificate or certificates representing the Stock shall be issued by the Company and delivered to the Option Holder. If certificates representing Stock are used to pay all or part of the exercise price, separate certificates for the same number of shares of Stock shall be issued by the Company and delivered to the Option Holder representing each certificate used to pay the Option Price, and an additional certificate shall be issued by the Company and delivered to the Option Holder representing the additional shares, in excess of the Option Price, to which the Option Holder is entitled as a result of the exercise of the Option.

(ii) The exercise price shall be paid by any of the following methods or any combination of the following methods:

(A) in cash;

(B) by certified or cashier's check payable to the order of the Company;

(C) by delivery to the Company of certificates representing the number of shares then owned by the Option Holder, the Fair Market Value of which equals the purchase price of the Stock purchased pursuant to the Option, properly endorsed for transfer to the Company; provided however, that no Option may be exercised by delivery to the Company of certificates representing Stock, unless such Stock has been held by the Option Holder for more than six months; for purposes of this Plan, the Fair Market Value of any shares of Stock delivered in payment of the purchase price upon exercise of the Option shall be the Fair Market Value as of the exercise date; the exercise date shall be the day of delivery of the certificates for the Stock used as payment of the Option Price; or

(D) by delivery to the Company of a properly executed notice of exercise together with irrevocable instructions to a broker to deliver to the Company promptly the amount of the proceeds of the sale of all or a portion of the Stock or of a loan from the broker to the Option Holder necessary to pay the exercise price.

(h) Date of Grant. An option shall be considered as having been granted on the date specified in the grant resolution of the Committee.

(i) Notice of Sale of Stock; Withholding. Each stock option agreement shall provide that, upon exercise of the Option, the Option Holder shall make appropriate arrangements with the Company to provide for the amount of additional withholding required by Sections 3102 and 3402 of the Internal Revenue Code and applicable state income tax laws, including payment of such taxes through delivery of shares of Stock or by withholding Stock to be issued under the Option, as provided in Section 17.

(j) Issuance of Additional Option. If an Option Holder pays all or any portion of the exercise price of an Option with Stock, or pays all or any portion of the applicable withholding taxes with respect to the exercise of an Option with Stock which has been held by the Option Holder for more than six months, the Committee shall grant to such Option Holder a new Option covering the number of shares of Stock used to pay such exercise price and/or withholding tax. The new Option shall have an Option Price per share equal to the Fair Market Value of a share of Stock on the date of the exercise of the Option and shall have the same terms and provisions as the Option, except as otherwise determined by the Committee in its sole discretion. Effective for Options granted on and after January 1, 1994, this section 7.2(j) shall be null and void.

7.3 Shareholder Privileges. No Option Holder shall have any rights as a shareholder with respect to any shares of Stock covered by an Option until the Option Holder becomes the holder of record of such Stock, and no adjustments shall be made for dividends or other distributions or other rights as to which there is a record date preceding the date such Option Holder becomes the holder of record of such Stock, except as provided in Section 4.

## Section 8

### Restricted Stock Awards

8.1 Grant of Restricted Stock Awards. Coincident with or following designation for participation in the Plan, the Committee may grant a

Participant one or more Restricted Stock Awards consisting of shares of Stock. The number of shares granted as a Restricted Stock Award shall be determined by the Committee.

**8.2 Restrictions.** A Participant's right to retain a Restricted Stock Award granted to him under Section 8.1 shall be subject to such restrictions, including but not limited to his continuous employment by the Company or an Affiliated Corporation for a restriction period specified by the Committee or the attainment of specified performance goals and objectives, as may be established by the Committee with respect to such Award. The Committee may in its sole discretion require different periods of employment or different performance goals and objectives with respect to different Participants, to different Restricted Stock Awards or to separate, designated portions of the Stock shares constituting a Restricted Stock Award. In the event of the death or disability (as defined in subsection 7.2(d)) of a Participant, or the retirement of a Participant in accordance with the Company's established retirement policy, all employment period and other restrictions applicable to Restricted Stock Awards then held by him shall lapse with respect to a pro rata part of each such Award based on the ratio between the number of full months of employment completed at the time of termination of employment from the grant of each Award to the total number of months of employment required for such Award to be fully nonforfeitable, and such portion of each such Award shall become fully nonforfeitable. The remaining portion of each such Award shall be forfeited and shall be immediately returned to the Company. In the event of a Participant's termination of employment for any other reason, any Restricted Stock Awards as to which the employment period or other restrictions have not been satisfied (or waived or accelerated as provided herein) shall be forfeited, and all shares of Stock related thereto shall be immediately returned to the Company.

**8.3 Privileges of a Stockholder, Transferability.** A Participant shall have all voting, dividend, liquidation and other rights with respect to Stock in accordance with its terms received by him as a Restricted Stock Award under this Section 8 upon his becoming the holder of record of such Stock; provided, however, that the Participant's right to sell, encumber, or otherwise transfer such Stock shall be subject to the limitations of Sections 9 and 11.2.

**8.4 Enforcement of Restrictions.** The Committee shall cause a legend to be placed on the Stock certificates issued pursuant to each Restricted Stock Award referring to the restrictions provided by Sections 8.2 and 8.3 and, in addition, may in its sole discretion require one or more of the following methods of enforcing the restrictions referred to in Sections 8.2 and 8.3:

(a) Requiring the Participant to keep the Stock certificates, duly endorsed, in the custody of the Company while the restrictions remain in effect; or

(b) Requiring that the Stock certificates, duly endorsed, be held in the custody of a third party while the restrictions remain in effect.

## Section 9

### **Purchase of Stock**

**9.1 General.** From time to time the Company may make an offer to certain Participants, designated by the Committee in its sole discretion, to purchase Stock from the Company. The number of shares of Stock offered by the Company to each selected Participant shall be determined by the Committee in its sole discretion. The purchase price for the Stock shall be as determined by the Committee in its sole discretion and may be less than the Fair Market Value of the Stock. The Participants who accept the Company's offer shall purchase the Stock at the time designated by the Committee. The purchase shall be on such additional terms and conditions as may be determined by the Committee in its sole discretion.

**9.2 Other Terms.** The Committee may, in its sole discretion, grant Options, Restricted Stock, or any combination thereof, on terms and conditions determined by the Committee, in its sole discretion, to the Participants who purchase Stock pursuant to Section 9.1.

## Section 10

### **Other Common Stock Grants**

From time to time during the duration of this Plan, the Board may, in its sole discretion, adopt one or more incentive compensation arrangements for Participants pursuant to which the Participants may acquire shares of Stock, whether by purchase, outright grants, or otherwise. Any such arrangements shall be subject to the general provisions of this Plan and all shares of Stock issued pursuant to such arrangements shall be issued under this Plan.

## Section 11

### **Company Right To Purchase Stock**

**11.1 Right of First Refusal.** (a) In the event of the death of a Participant, or if a Participant at any time proposes to transfer any of the Stock acquired pursuant to the Plan to a third party, the Participant (or his personal representative or estate, as the case may be) shall make a written offer (the "Offer") to sell all of the Stock acquired pursuant to the Plan then owned by the Participant (or thereafter acquired by the Participant's estate or personal representative pursuant to any Award hereunder) to the Company at the "purchase price" as hereinafter defined. In the case of a proposed sale of any of the Stock to a third party, the Offer shall state the name of the proposed transferee and the terms and conditions of the

proposed transfer. In a case of a proposed sale through or to a registered broker/dealer, the Offer shall state the name and address of the broker. The Company shall have the right to elect to purchase all (but not less than all) of the shares of Stock. The Company shall have the right to elect to purchase the shares of Stock for a period of ten (10) days after the receipt by the Company of the Offer. The provisions of this Section 11 shall apply to proposed sales through or to a registered broker/dealer at the prevailing market price, even if the prevailing market price should fluctuate between the date the Company receives the Offer and the date the Company elects to purchase the shares of Stock. In all cases, the purchase price for the Stock shall be determined pursuant to subsection 11.1(d).

(b) The Company shall exercise its right to purchase the Stock by given written notice of its exercise to the Participant (or his personal representative or estate, as the case may be). If the Company elects to purchase the Stock, payment for the shares of Stock shall be made in full by Company check. Any such payments shall be made within ten (10) days after the election to purchase has been exercised.

(c) If the Stock is not purchased pursuant to the foregoing provisions, the shares of Stock may be transferred by the Participant to the proposed transferee named in the Offer to the Company, in the case of a proposed sale to a third party. However, if such transfer is not made within 120 days following the termination of the Company's right to purchase, a new offer must be made to the Company before the Participant can transfer any portion of his shares and the provisions of this Section 11 shall again apply to such transfer. If the Company's right of first refusal under this Section 11 is created by an event other than a proposed transfer to a third party, the shares of Stock shall remain subject to the provisions of this Section 11 in the hands of the registered owner of the Stock.

(d) The purchase price for each share of Stock purchased by the Company pursuant to this Section 11 shall be equal to the Fair Market Value of the Stock on the date the Company receives the Offer under subsection 11.1(a).

11.2 Marking of Certificates. Each certificate representing shares of Stock acquired pursuant to this Plan shall bear the following legend:

The shares of stock represented by this Certificate are subject to all the terms of the Adolph Coors Company Equity Incentive Plan, as the Plan may be amended from time to time (the "Plan") and to the terms of a [Non-Qualified Stock Option Agreement] [Restricted Stock Agreement] [Stock Purchase Agreement] between the Company and the Participant (the "Agreement"). Copies of the Plan and the Agreement are on file at the office of the Company. The Plan and the Agreement, among other things, limit the right of the Owner to transfer the shares represented hereby and provides that in certain circumstances the shares may be purchased by the Company.

## Section 12

### Change in Control

12.1 In General. In the event of a change in control of the Company as defined in Section 12.3, then (a) all Options shall become immediately exercisable in full during the remaining term thereof, and shall remain so, whether or not the Participants to whom such Options have been granted remain employees of the Company or an Affiliated Corporation; and (b) all restrictions with respect to outstanding Restricted Stock Awards shall immediately lapse.

12.2 Limitation on Payments. If the provisions of this Section 12 would result in the receipt by any Participant of a payment within the meaning of Section 280G of the Internal Revenue Code and the regulations promulgated thereunder and if the receipt of such payment by any Participant would, in the opinion of independent tax counsel of recognized standing selected by the Company, result in the payment by such Participant of any excise tax provided for in Sections 280G and 4999 of the Internal Revenue Code, then the amount of such payment shall be reduced to the extent required, in the opinion of independent tax counsel, to prevent the imposition of such excise tax; provided, however, that the Committee, in its sole discretion, may authorize the payment of all or any portion of the amount of such reduction to the Participant.

12.3 Definition. For purposes of the Plan, a "change in control" shall mean any of the following:

- (i) The acquisition of or the ownership of fifty percent or more of the total Voting Stock of the Company then issued and outstanding, by any person, or group of affiliated persons, or entities not affiliated with the Company as of the Effective Date of this Plan, without the consent of the Board of Directors, or
- (ii) The election of individuals constituting a majority of the Board of Directors who were not either (A) members of the Board of Directors prior to the election or (B) recommended to the shareholders by management of the Company, or
- (iii) A legally binding and final vote of the shareholders of the Company in favor of selling all or substantially all of the assets of the Company.

## Section 13

### Rights of Employees; Participants

13.1 Employment. Nothing contained in the Plan or in any Option or Restricted Stock Award granted under the Plan shall confer upon any Participant any right with respect to the continuation of his or her employment by the Company or any Affiliated Corporation, or interfere in any way with the right of the Company or any Affiliated Corporation, subject to the terms of any separate employment agreement to the

contrary, at any time to terminate such employment or to increase or decrease the compensation of the Participant from the rate in existence at the time of the grant of an Option or Restricted Stock Award. Whether an authorized leave of absence, or absence in military or government service, shall constitute a termination of employment shall be determined by the Committee at the time.

13.2 Nontransferability. No right or interest of any Participant in an Option or a Restricted Stock Award (prior to the completion of the restriction period applicable thereto), granted pursuant to the Plan, shall be assignable or transferable during the lifetime of the Participant, either voluntarily or involuntarily, or subjected to any lien, directly or indirectly, by operation of law, or otherwise, including execution, levy, garnishment, attachment, pledge or bankruptcy. In the event of a Participant's death, a Participant's rights and interests in Options and Restricted Stock Awards shall, to the extent provided in Sections 7, 8 and 9, be transferable by testamentary will or the laws of descent and distribution, and payment of any amounts due under the Plan shall be made to, and exercise of any Options may be made by, the Participant's legal representatives, heirs or legatees. If in the opinion of the Committee a person entitled to payments or to exercise rights with respect to the Plan is disabled from caring for his affairs because of mental condition, physical condition or age, payment due such person may be made to, and such rights shall be exercised by, such person's guardian, conservator or other legal personal representative upon furnishing the Committee with evidence satisfactory to the Committee of such status.

## Section 14

### General Restrictions

14.1 Investment Representations. The Company may require any person to whom an Option, Restricted Stock Award, Stock is granted, or to whom Stock is sold, as a condition of exercising such Option or receiving such Restricted Stock Award or Stock, or purchasing such Stock, to give written assurances in substance and form satisfactory to the Company and its counsel to the effect that such person is acquiring the Stock subject to the Option, Restricted Stock Award, Stock grant, or purchase of Stock, for his own account for investment and not with any present intention of selling or otherwise distributing the same, and to such other effects as the Company deems necessary or appropriate in order to comply with Federal and applicable state securities laws.

14.2 Compliance with Securities Laws. Each Option and Restricted Stock Award, and Stock grant or purchase shall be subject to the requirement that, if at any time counsel to the Company shall determine that the listing, registration or qualification of the shares subject to such Option, Restricted Stock Award, Stock grant or purchase upon any securities exchange or under any state or federal law, or the consent or approval of any governmental or regulatory body, is necessary as a condition of, or in connection with, the issuance or purchase of shares thereunder, such Option, Restricted Stock Award, or Stock grant or purchase may not be accepted or exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Committee. Nothing herein shall be deemed to require the Company to apply for or to obtain such listing, registration or qualification.

14.3 Changes in Accounting Rules. Notwithstanding any other provision of the Plan to the contrary, if, during the term of the Plan, any changes in the financial or tax accounting rules applicable to Options or Restricted Stock Awards shall occur that, in the sole judgment of the Committee, may have a material adverse effect on the reported earnings, assets or liabilities of the Company, the Committee shall have the right and power to modify as necessary, any then outstanding and unexercised Options and outstanding Restricted Stock Awards as to which the applicable employment or other restrictions have not been satisfied.

## Section 15

### Other Employee Benefits

The amount of any compensation deemed to be received by a Participant as a result of the exercise of an Option, the sale of shares received upon such exercise, the vesting of any Restricted Stock Award, or the purchase or grant of Stock, shall not constitute "earnings" with respect to which any other employee benefits of such employee are determined, including without limitation benefits under any pension, profit sharing, life insurance or salary continuation plan.

## Section 16

### Plan Amendment, Modification and Termination

The Board may at any time terminate, and from time to time may amend or modify the Plan provided, however, that no amendment or modification may become effective without approval of the amendment or modification by the shareholders if shareholder approval is required to enable the Plan to satisfy any applicable statutory or regulatory requirements, or if the Company, on the advice of counsel, determines that shareholder approval is otherwise necessary or desirable.

No amendment, modification or termination of the Plan shall in any manner adversely affect any Options, Restricted Stock Awards or Stock theretofore granted or purchased under the Plan, without the consent of the Participant holding such Options Restricted Stock Awards, or Stock.

## Section 17

### Withholding

17.1 Withholding Requirement. The Company's obligations to deliver shares of Stock upon the exercise of any Option, the vesting of any Restricted Stock Award, or the grant or purchase of Stock shall be subject to the Participant's satisfaction of all applicable federal, state and local income and other tax withholding requirements.

17.2 Withholding With Stock. The withholding obligation with respect to the grant of Restricted Stock shall be satisfied by the Company's withholding from the shares otherwise issuable to the Participant shares of Stock having a value equal to the amount required to be withheld. The value of shares of Stock to be withheld shall be based on the Fair Market Value of the Stock on the date that the amount of tax to be withheld is to be determined.

Section 18

**Requirements of Law**

18.1 Requirements of Law. The issuance of Stock and the payment of cash pursuant to the Plan shall be subject to all applicable laws, rules and regulations.

18.2 Federal Securities Law Requirements. If a Participant is an officer or director of the Company within the meaning of Section 16, Awards granted hereunder shall be subject to all conditions required under Rule 16b-3, or any successor rule promulgated under the 1934 Act, to qualify the Award for any exception from the provisions of Section 16(b) of the 1934 Act available under that Rule. Such conditions shall be set forth in the agreement with the Participant which describes the Award.

18.3 Governing Law. The Plan and all agreements hereunder shall be construed in accordance with and governed by the laws of the State of Colorado.

Section 19

**Duration of the Plan.**

The Plan shall terminate at such time as may be determined by the Board of Directors, and no Option or Restricted Stock Award, or Stock shall be granted or purchased after such termination. Options and Restricted Stock Awards outstanding at the time of the Plan termination may continue to be exercised, or become free of restrictions, or paid, in accordance with their terms.

Dated: \_\_\_\_\_

**ADOLPH COORS COMPANY**  
**ATTEST:**

\_\_\_\_\_ By:\_\_\_\_\_



**ADOLPH COORS COMPANY**

**EQUITY COMPENSATION PLAN FOR  
NON-EMPLOYEE DIRECTORS**

Amended and Restated,  
Effective February 16, 1995

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ADOLPH COORS COMPANY  
EQUITY COMPENSATION PLAN  
FOR NON-EMPLOYEE DIRECTORS

Amended & Restated,  
Effective February 16, 1995

## SECTION 1 INTRODUCTION

1.1 Establishment; Amendment and Restatement. Adolph Coors Company, a Colorado corporation (the "Company"), established the Adolph Coors Company Equity Compensation Plan for Non-Employee Directors (the "Plan") for those directors ("Directors") of the Company who are neither officers nor employees of the Company. The Plan provides for the grant of restricted stock awards to Directors of the Company. Section 10 provides that the Company, by action of the Board, may amend the Plan from time to time. The Plan is hereby amended and restated, pursuant to resolutions adopted on August 13, 1992.

1.2 Purposes. The purposes of the Plan are to encourage the Directors to own shares of the Company's stock and thereby to align their interests more closely with the interests of the other shareholders of the Company, to encourage the highest level of Director performance by providing the Directors with a direct interest in the Company's attainment of its financial goals, and to provide a financial incentive that will help attract and retain the most qualified Directors.

1.3 Effective Date. The original Effective Date of the Plan was May 16, 1991. The Effective Date of the amended and restated Plan is February 16, 1995. The amended and restated Plan and each award granted under the amended and restated Plan is conditioned on and shall be of no force or effect until

(a) approval of the amended and restated Plan by the holders of a majority of the shares of voting stock of the Company and (b) receipt by the Company, in form and substance satisfactory to counsel for the Company, of the concurrence of the staff of the Securities and Exchange Commission with the opinions set forth in a "no-action letter," related to Rule 16b-3 or any successor rule ("Rule 16b-3") promulgated under the Securities Exchange Act of 1934 (the "1934 Act"), unless the Company, on the advice of counsel, determines that shareholder approval, a "no action letter," or both are not necessary.

## SECTION 2 DEFINITIONS

2.1 Definitions. The following terms shall have the meanings set forth below:

(a) "Board" means the Board of Directors of the Company.

(b) "Committee" means a committee consisting of members of the Board who are empowered hereunder to take actions in the administration of the Plan. The Committee shall be so constituted at all times as to permit the Plan to comply with Rule 16b-3. Members of the Committee shall be appointed from time to time by the Board, shall serve at the pleasure of the Board and may resign at any time upon written notice to the Board.

(c) "Director" means a member of the Board who is neither an officer nor an employee of the Company. For purposes of the Plan, an employee is an individual whose wages are subject to the withholding of federal income tax under section 3401 of the Internal Revenue Code, and an officer is an individual elected or appointed by the Board or chosen in such other manner as may be prescribed in the bylaws of the Company to serve as such.

(d) "Disability" means a physical or mental condition of a Director that is determined by the Social Security Administration to entitle the Director to a Social Security disability benefit.

(e) "Fair Market Value" means the average of the highest and lowest prices of the Stock as reported on the National Association of Securities Dealers Automated Quotation System ("NASDAQ") on a particular date. If there are no Stock transactions on such date, the Fair Market Value shall be determined as of the immediately preceding date on which there were Stock transactions. If the price of the Stock is not reported on NASDAQ, the Fair Market Value of the Stock on the particular date shall be as determined by the Committee using a reference comparable to the NASDAQ system.

(f) "Internal Revenue Code" means the Internal Revenue Code of 1986, as it may be amended from time to time.

(g) "Restricted Stock Award" means an award of Stock granted to a Director pursuant to Section 6 that is subject to certain restrictions imposed in accordance with the provisions of the Plan.

(h) "Stock" means the no par value Class B (non-voting) Common Stock of the Company.

(i) "Voting Stock" means the \$1.00 par value Class A Common Stock of the Company.

2.2 Gender and Number. Except when otherwise indicated by the context, the masculine gender shall also include the feminine gender, and the definition of any term herein in the singular shall also include the plural.

### SECTION 3 PLAN ADMINISTRATION

The Committee shall be responsible for the administration of the Plan. However, the Committee shall have no authority, discretion or power to select the Directors who will receive Restricted Stock Awards, determine the Restricted Stock Awards to be granted pursuant to the Plan, the number of shares of Stock to be issued thereunder or the time at which such Restricted Stock Awards are to be granted, establish the duration and nature of Restricted Stock Awards or alter any other terms or conditions specified in the Plan, except in the sense of administering the Plan subject to the provisions of the Plan. Subject to the foregoing limitations, the Committee, by majority action thereof, is authorized to interpret the Plan, prescribe, amend and rescind rules and regulations relating to the Plan, provide for conditions and assurances deemed necessary or advisable to protect the interests of the Company and make all other determinations necessary or advisable for the administration of the Plan, but only to the extent not contrary to the express provisions of the Plan. No member of the Committee shall be liable for any action or determination made in good faith. The determinations, interpretations and other actions of the Committee pursuant to the provisions of the Plan shall be binding and conclusive for all purposes and on all persons.

## SECTION 4

### STOCK SUBJECT TO THE PLAN

4.1 Number of Shares. Fifty Thousand shares of Stock are authorized for issuance under the Plan in accordance with the provisions of the Plan and subject to such restrictions or other provisions as the Committee may from time to time deem necessary. This authorization may be increased from time to time by approval of the Board and by the shareholders of the Company if, in the opinion of counsel for the Company, such shareholder approval is required. Shares of Stock which are issued as Restricted Stock Awards shall be applied to reduce the maximum number of shares of Stock remaining available for use under the Plan. The Company shall at all times during the term of the Plan retain as authorized and unissued Stock at least the number of shares from time to time required under the provisions of the Plan, or otherwise assure itself of its ability to perform its obligations hereunder.

4.2 Other Shares of Stock. Any shares of Stock that are subject to a Restricted Stock Award and which are forfeited shall not be available for use under the Plan. Any shares of Stock that for any other reason are not issued to a Director shall automatically become available for use under the Plan.

4.3 Adjustments for Stock Split, Stock Dividend, Etc. If the Company shall at any time increase or decrease the number of its outstanding shares of Stock or change in any way the rights and privileges of such shares by means of the payment of a stock dividend or any other distribution upon such shares payable in Stock, or through a stock split, subdivision, consolidation, combination, reclassification or recapitalization involving the Stock, then in relation to the Stock that is affected by one or more of the above events, the numbers, rights and privileges of the following shall be increased, decreased or changed in like manner as if they had been issued and outstanding, fully paid and nonassessable at the time of such occurrence: (i) the shares of Stock as to which Restricted Stock Awards may be granted under the Plan; and (ii) the shares of the Stock then included in each outstanding Restricted Stock Award granted hereunder.

4.4 Dividend Payable in Stock of Another Corporation, Etc. If the Company shall at any time pay or make any dividend or other distribution upon the Stock payable in securities or other property (except money or Stock), a proportionate part of such securities or other property shall be set aside and delivered to any Director then holding a Restricted Stock Award upon lapse of all restrictions applicable to such Restricted Stock Award. Prior to the time that any such securities or other property are delivered to a Director in accordance with the foregoing, the Company shall be the owner of such securities or other property and shall have the right to vote the securities, receive any dividends payable on such securities and in all other respects shall be treated as the owner. If securities or other property which have been set aside by the Company in accordance with this Section are not delivered to a Director because restrictions applicable to such Restricted Stock Award do not lapse, then such securities or other property shall remain the property of the Company and shall be dealt with by the Company as it shall determine in its sole discretion.

4.5 Other Changes in Stock. In the event there shall be any change, other than as specified in Sections 4.3 and 4.4, in the number or kind of outstanding shares of Stock or of any stock or other securities into which the Stock shall be changed or for which it shall have been exchanged, and if the Committee shall in its discretion determine that such change equitably requires an adjustment in the number or kind of shares subject to outstanding Restricted Stock Awards or which have been reserved for issuance pursuant to the Plan but are not then subject to a Restricted Stock Award, then such adjustments shall be made by the Committee and shall be effective for all purposes of the Plan and on each outstanding Restricted Stock Award that involves the particular type of stock for which a change was effected.

4.6 Rights to Subscribe. If the Company shall at any time grant to the holders of its Stock rights to subscribe pro rata for additional shares thereof or for any other securities of the Company or of any other corporation, there shall be reserved with respect to the shares then outstanding pursuant to any Restricted Stock Award the Stock or other securities which the Director would have been entitled to subscribe for if immediately prior to such grant the restrictions applicable to such Restricted Stock Award had lapsed. Upon the lapse of all restrictions applicable to Stock held pursuant to a Restricted Stock Award the Director shall be provided the opportunity to subscribe for the additional shares or other securities issuable with respect to such shares of Stock.

4.7 General Adjustment Rules. No adjustment or substitution provided for in this Section 4 shall require the Company to issue a fractional share of Stock, and the total substitution or adjustment with respect to each Restricted Stock Award shall be limited by deleting any fractional share. In the case of any such substitution or adjustment appropriate adjustments shall be made to Restricted Stock Awards to reflect any such substitution or adjustment.

4.8 Determination by the Committee, Etc. Adjustments under this Section 4 shall be made by the Committee, whose determinations with regard thereto shall be final and binding upon all parties thereto.

## SECTION 5

### PARTICIPATION

5.1 In General. Each Director shall receive Restricted Stock Awards on the terms and conditions set forth under the Plan. Each Director shall, if required by the Committee, enter into an agreement with the Company, in such form as the Committee shall determine and which is consistent with the provisions of the Plan. In the event of any inconsistency between the provisions of the Plan and any such agreement entered into hereunder, the provisions of the Plan shall govern.

5.2 Restriction on Award Grants to Certain Individuals. Notwithstanding the foregoing provisions of Section 5.1, no Restricted Stock Awards shall be granted to any lineal descendant of Adolph Coors, Jr. without the prior written approval of counsel to the Company as to the effect of

any such grant on the possible status of the Company as a "personal holding company" within the meaning of Section 542 of the Internal Revenue Code.

## SECTION 6

### RESTRICTED STOCK AWARDS

6.1 Minimum Grant of Restricted Stock. Beginning with the May 1991 annual term, each Director shall receive twenty percent of the value of his annual retainer as a director in the form of a Restricted Stock Award (the "Minimum Grant").

6.2 Elective Grant of Restricted Stock. Also beginning with the May 1991 annual term, each Director may make an annual election (the "Election") to receive any or all of the remaining cash balance of his annual retainer as a director in the form of a Restricted Stock Award (the "Elective Grant"). The Minimum Grant and the Elective Grant are hereafter referred to as the "Grants". The Election must be in writing and must be delivered to the Secretary of the Company no later than the last business day of the month during which the annual meeting of shareholders of the Company is held. Any Election made by a Director pursuant to this Section 6.2 shall be irrevocable.

6.3 Date of Grant, Number of Shares. The Minimum Grant shall be made on the last business day of the month during which the annual meeting of shareholders of the Company is held, and the Elective Grant shall be made on the first business day that is at least six months and one day following the date of the Minimum Grant. The total number of shares of Stock included in each such Restricted Stock Award shall be determined by dividing the amount of the Director's retainer that is to be paid in restricted stock by the Fair Market Value of a share of Stock on the date of grant. In no event shall the Company be required to issue fractional shares. Whenever under the terms of this Section 6 a fractional share of Stock would otherwise be required to be issued, an amount in lieu thereof shall be paid in cash based upon the Fair Market Value of such fractional share.

6.4 Retention of Award, Termination. For grants made in 1994 and thereafter, if a Director's services as a Board member are terminated at any time before the completion of the Director's annual term of service, for any reason other than the Director's death or Disability, all of the shares of Stock granted pursuant to the Grants shall be forfeited. If a Director dies or becomes Disabled at any time before completion of the Director's annual term of service, the deceased or Disabled Director shall be vested in a portion of the shares of Stock granted pursuant to the Grants. The number of vested shares of Stock shall be determined by multiplying the number of shares of Stock included in the Grants by a fraction, the denominator of which is the number of scheduled quarterly directors' meetings for the annual director's term in question, and the numerator of which is the number of scheduled quarterly directors' meetings attended by the Director in such term. Any fractional share shall be rounded down to the next whole share. The remaining number of shares shall be nonvested and shall be forfeited. If the Director dies before the Elective Grant is made for the annual term of service, the number of whole shares in the vested portion of the Elective Grant shall be granted to the Director's beneficiary at the time provided in Section 6.3.

6.5 Restrictions. Except as otherwise provided in the Plan, shares of Stock received pursuant to a Restricted Stock Award may not be sold, assigned, pledged, hypothecated, transferred or otherwise disposed of until the restrictions applicable to such Stock have lapsed pursuant to Section 6.6.

6.6 Lapse of Restrictions. All restrictions on Stock covered by a Restricted Stock Award shall lapse upon completion of the Director's annual term of service during which the Restricted Stock Award was granted; provided, however, that the shares may not be sold until at least six months after the date of grant of the Stock.

6.7 Privileges of a Stockholder, Transferability. A Director shall have all voting, dividend, liquidation and other rights with respect to Stock in accordance with its terms received by him as a Restricted Stock Award under this Section 6. A Director's right to sell, encumber or otherwise transfer Stock after restrictions applicable to such Stock have lapsed shall be subject to the limitations of Section 8.2.

6.8 Enforcement of Restrictions. The Committee shall cause a legend to be placed on the Stock certificates issued pursuant to each Restricted Stock Award referring to the restrictions imposed in the Plan and, in addition, may in its sole discretion require one or more of the following methods of enforcing such restrictions:

(a) Requiring the Director to keep the Stock certificates, duly endorsed, in the custody of the Company while the restrictions remain in effect; or

(b) Requiring that the Stock certificates, duly endorsed, be held in the custody of a third party while the restrictions remain in effect.

## SECTION 7

### REORGANIZATION OR CHANGE OF CONTROL

7.1 Reorganization. In the event that the Company is merged or consolidated with another corporation (other than a merger or consolidation in which the Company is the continuing corporation and which does not result in any reclassification or change of outstanding stock), or if all or substantially all of the assets or more than 50% of the outstanding voting stock of the Company is acquired by any other corporation, business entity or person (other than a sale or conveyance in which the Company continues as a holding company of an entity or entities that conduct the business or businesses formerly conducted by the Company), or in case of a reorganization (other than a reorganization under the United States Bankruptcy Code) or liquidation of the Company, the Committee, or the board of directors of any corporation assuming the obligations of the Company, shall, as to the Plan and outstanding Restricted Stock Awards, either (i) make appropriate provision for the adoption and

continuation of the Plan by the acquiring or successor corporation and for the protection of any such outstanding Restricted Stock Awards by the substitution on an equitable basis of appropriate stock of the Company or of the merged, consolidated or otherwise reorganized corporation which will be issuable with respect to the Stock, provided that no additional benefits shall be conferred upon the Directors holding such Restricted Stock Awards as a result of such substitution, or (ii) accelerate the restriction period for any outstanding Restricted Stock Awards so that all restrictions applicable to Restricted Stock Awards shall lapse prior to any such event.

7.2 Change of Control. In the event of a change of control of the Company, as defined below, then all restrictions with respect to outstanding Restricted Stock Awards shall immediately lapse. For purposes of the Plan, a "change of control" shall be deemed to have occurred if during any period of two consecutive years (not including any period prior to the Effective Date), individuals who at the beginning of such period constitute the Board (and any new director whose election by the Board or whose nomination for election by the Company's shareholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority thereof.

## SECTION 8 RIGHTS OF DIRECTORS

8.1 Retention as Director. Nothing contained in the Plan or in any Restricted Stock Award granted under the Plan shall interfere with or limit in any way the right of the shareholders of the Company to remove any Director from the Board pursuant to the bylaws of the Company, nor confer upon any Director any right to continue in the service of the Company.

8.2 Nontransferability. No right or interest of any Director in a Restricted Stock Award (prior to the completion of the restriction period applicable thereto), granted pursuant to the Plan, shall be assignable or transferable during the lifetime of the Director, either voluntarily or involuntarily, or subjected to any lien, directly or indirectly, by operation of law, or otherwise, including execution, levy, garnishment, attachment, pledge or bankruptcy. In the event of a Director's death, a Director's rights and interests in Restricted Stock Awards shall, to the extent provided in

Section 6, be transferable by testamentary will or the laws of descent and distribution. If in the opinion of the Committee a person entitled to payments or to exercise rights with respect to the Plan is disabled from caring for his affairs because of mental condition, physical condition or age, payment due such person may be made to, and such rights shall be exercised by, such person's guardian, conservator or other legal personal representative upon furnishing the Committee with evidence satisfactory to the Committee of such status.

## SECTION 9 GENERAL RESTRICTIONS

9.1 Investment Representations. The Company may require any Director to whom a Restricted Stock Award is granted, as a condition of receiving such Restricted Stock Award, to give written assurances in substance and form satisfactory to the Company and its counsel to the effect that such person is acquiring the Stock subject to the Restricted Stock Award for his own account for investment and not with any present intention of selling or otherwise distributing the same, and to such other effects as the Company deems necessary or appropriate in order to comply with Federal and applicable state securities laws.

9.2 Compliance with Securities Laws. Each Restricted Stock Award shall be subject to the requirement that, if at any time counsel to the Company shall determine that the listing, registration or qualification of the shares subject to such Restricted Stock Award upon any securities exchange or under any state or federal law, or the consent or approval of any governmental or regulatory body, is necessary as a condition of, or in connection with, the issuance of shares thereunder, such Restricted Stock Award may not be accepted or exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Committee. Nothing herein shall be deemed to require the Company to apply for or to obtain such listing, registration or qualification.

9.3 Changes in Accounting Rules. Notwithstanding any other provision of the Plan to the contrary, if, during the term of the Plan, any changes in the financial or tax accounting rules applicable to Restricted Stock Awards shall occur which, in the sole judgment of the Committee, may have a material adverse effect on the reported earnings, assets or liabilities of the Company, the Committee shall have the right and power to modify as necessary any then outstanding Restricted Stock Awards as to which the applicable restrictions have not been satisfied.

9.4 Withholding of Tax. To the extent required by applicable law and regulation, each Director must arrange with the Company for the payment of any federal, state or local income or other tax applicable to the Restricted Stock Award granted hereunder before the Company shall be required to deliver to the Director a certificate for such Stock free and clear of all restrictions under this Plan.

## SECTION 10 PLAN AMENDMENT, MODIFICATION AND TERMINATION

The Board may at any time terminate, and from time to time may amend or modify the Plan provided, however, that no amendment or modification may become effective without approval of the amendment or modification by the shareholders if shareholder approval is required to enable the Plan to satisfy any applicable statutory or regulatory requirements, or if the Company, on the advice of counsel, determines that shareholder approval is otherwise necessary or desirable and, provided further that no amendment or modification shall be made more than once every six months, other than to comport with changes in the Internal Revenue Code, the Employment Retirement Income Security Act, or the rules promulgated thereunder.



No amendment, modification or termination of the Plan shall in any manner adversely affect any Restricted Stock Awards theretofore granted under the Plan without the consent of the Director holding such Restricted Stock Awards.

## SECTION 11 REQUIREMENTS OF LAW

11.1 Requirements of Law. The issuance of stock and the payment of cash pursuant to the Plan shall be subject to all applicable laws, rules and regulations.

11.2 Federal Securities Law Requirements. Awards granted hereunder shall be subject to all conditions required under Rule 16b-3 to qualify the Restricted Stock Award for any exception from the provisions of Section 16(b) of the 1934 Act available under that Rule. Such conditions shall be set forth in the agreement with the Director which describes the Restricted Stock Award.

11.3 Governing Law. The Plan and all agreements hereunder shall be construed in accordance with and governed by the laws of the State of Colorado.

## SECTION 12 DURATION OF THE PLAN

The Plan shall terminate at such time as may be determined by the Board of Directors, and no Restricted Stock Award shall be granted after such termination. Restricted Stock Awards outstanding at the time of the Plan termination shall become free of restrictions in accordance with their terms.

Dated: \_\_\_\_\_

**ATTEST: ADOLPH COORS COMPANY**

\_\_\_\_\_ By:

**Secretary**

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