

**PPG INDUSTRIES, INC.
CHALLENGE 2000
STOCK PLAN**



This Prospectus relates to the shares of common stock of PPG Industries, Inc., par value \$1.66-2/3 per share (the “Common Stock”), to be offered pursuant to the PPG Industries, Inc. Challenge 2000 Stock Plan (the “Plan”). The principal executive offices of PPG Industries, Inc., the Sponsor of the Plan, are located at One PPG Place, Pittsburgh, Pennsylvania 15272, and the telephone number thereof, including area code, is (412) 434-3131. This Prospectus is not an offering of securities in any jurisdiction in which the offering is unauthorized.

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

The date of this Prospectus is February 1, 2005.

**THIS DOCUMENT CONSTITUTES PART OF A PROSPECTUS
COVERING SECURITIES THAT HAVE BEEN REGISTERED
UNDER THE SECURITIES ACT OF 1933**

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INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

PPG Industries, Inc. (“PPG” or the “Company”) will provide to each person to whom this Prospectus is delivered, without charge and upon written or oral request, a copy of the documents that have been or may be incorporated by reference into that certain Registration Statement on Form S-8 filed with the Securities and Exchange Commission (the “SEC”) on November 22, 2004, and relating to the Plan, other than the exhibits to such documents unless such exhibits are specifically incorporated therein by reference. Such documents are incorporated by reference into this Prospectus and are made a part hereof.

Such requests, and any other inquiries with respect to the Plan and its administration, should be directed in writing to PPG Industries, Inc., One PPG Place, Pittsburgh, Pennsylvania 15272, Attention: Human Resources, or by telephoning (412) 434-3131.

SUMMARY OF MAJOR FEATURES OF THE PLAN

This summary will inform you of the most important provisions of the Plan. It is only a summary, however, and is subject to the specific provisions of the Plan. Also, certain capitalized terms used in this Prospectus are defined in the Plan. The complete text of the Plan, effective as of July 1, 1998, is set forth in this Prospectus beginning on Page 10. The Plan is not subject to any provisions of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and is not qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended (the “Internal Revenue Code”).

Adoption and Purpose

The Plan was adopted by PPG’s Board of Directors (the “Board”) on February 19, 1998, to promote the attainment of the Company’s Challenge 2000 goals by awarding Options and Stock Appreciation Rights to Employees by which Employees may benefit from the increase in value of the Common Stock of the Company which is expected to result from attaining such goals. The Plan authorizes the Board or its Compensation and Employment Benefits Committee (the “Committee”) to grant Options and Stock Appreciation Rights. The Options and Stock Appreciation Rights granted under the Plan are hereinafter individually and collectively referred to as “Awards.”

Options

Options granted under the Plan entitle the holder thereof to purchase a stated number of shares of PPG Common Stock at a price equal to the Fair Market Value of PPG Common Stock on the date the Option is granted. Options granted under the Plan

are treated as Nonqualified Options for U.S. federal income tax purposes. Nonqualified Options are Options that do not qualify as “incentive stock options” under Section 422 of the Internal Revenue Code.

The Plan provides that Options may be exercised at such times and in such manner as the Board or the Committee shall prescribe, except that no Option may be exercised more than ten (10) years from the date such Option is granted. The Plan also provides that the Exercise Price of each Option may be paid in such form as the Board or the Committee may specify.

Stock Appreciation Rights

Stock Appreciation Rights granted under the Plan entitle the holder thereof to receive, upon exercise, an amount equal to the excess of the Fair Market Value of a share of Common Stock on the date of exercise of such Stock Appreciation Rights over the Fair Market Value of a share of Common Stock on the date of grant of such Stock Appreciation Rights, multiplied by the number of shares of Common Stock with respect to which such Stock Appreciation Rights shall have been exercised.

The Plan provides that Stock Appreciation Rights may be exercised at such times and in such manner as the Board or Committee shall prescribe, except that no Stock Appreciation Right may be exercised more than ten (10) years from the date such Stock Appreciation Right is granted. The Plan also provides that amounts payable upon exercise of Stock Appreciation Rights may be in the form of cash or shares of Common Stock as the Board or Committee may specify. The Committee has specified that amounts payable upon exercise of Stock Appreciation Rights granted under the Plan will be paid in cash.

Eligible Persons

The Plan provides that Eligible Persons of Awards include any Employee of the Company or any of its majority-owned subsidiaries (“Subsidiaries”) who is not an officer or a Director of the Company subject to Section 16 of the Securities Exchange Act of 1934. The Board and the Committee both have full power and authority pursuant and subject to the provisions of the Plan:

- (1) to determine from time to time which Eligible Persons shall be granted Awards;
- (2) to determine the number of shares of Common Stock subject to each Award, the Award Term, and the terms and conditions upon which Awards may be exercised and in the case of an Option Award, the form of payment of the Exercise Price;

- (3) to construe and interpret the Plan, to establish, amend and revoke rules and regulations relating to the Plan, and to determine all questions or controversies arising in the administration or operation of the Plan; and
- (4) generally, to exercise such powers and take such actions as the Board or the Committee may deem necessary or advisable to administer or implement the Plan.

Number of Authorized Shares

The Plan, as originally adopted, authorized the issuance of a maximum of 4.0 Million shares of Common Stock upon exercise of Awards granted under the Plan. On February 20, 2003, the Board adopted a resolution reducing the aggregate number of shares of Common Stock authorized for issuance under the Plan to a number equal to the aggregate number of shares of Common Stock issuable upon exercise of Awards previously granted under the Plan and outstanding on December 31, 2002. The resolution also provided that any shares of Common Stock subject to Awards that are forfeited or unexercised at the expiration or termination of such Awards shall not be available for the grant of further Awards under the Plan. Accordingly, from and after December 31, 2002, no further Awards may be granted under the Plan.

As of November 22, 2004, a total of 2,210,300 shares of Common Stock were issuable upon exercise of Awards outstanding under the Plan. Such shares, if and when issued upon exercise of such Awards, may be either authorized but unissued shares of PPG Common Stock or issued shares of PPG Common Stock acquired by the Company and held in treasury. All such shares issuable upon exercise of such Awards have been registered as required by the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

Adjustment Provisions

In the event of any change in the number of outstanding shares of Common Stock by reason of any stock dividend, stock split or similar change, a corresponding change will be made in the numbers of shares subject to outstanding Awards, in the Exercise Price of outstanding Awards and in the maximum number of shares of Common Stock which then remain available for issuance under the Plan. In the event of any change in the outstanding shares of Common Stock, or in the number thereof, by reason of any merger, consolidation, combination, sale of assets, exchange of shares, recapitalization, reorganization, spin-off or similar change, the Board may make such changes in the shares, and in the numbers or Exercise Prices of shares, subject to outstanding Awards, and in the maximum number of shares which may be issued under the Plan, as the Board may deem to be equitable. No such change, without the consent of a holder of an Award previously granted may adversely affect the rights of such holder with respect to such

Award, and any such change shall be final, conclusive and binding on all persons, including the Company, its shareholders and all holders of Awards.

Administration

The Board and the Committee both have full power and authority to administer, implement and interpret the Plan and to determine all questions or controversies arising in the administration or operation of the Plan. The Board and the Committee each may establish, amend or remove rules and regulations relating to the Plan. The Plan is governed by and subject to United States law. Any determination or decision made or action taken by the Board or the Committee in connection with the Plan will be final, conclusive and binding on all persons, including PPG, its shareholders and Participants.

Amendment and Termination

The Board or the Committee may amend or suspend the Plan, in whole or in part, at any time, but no amendment may, without Board approval, (1) increase the maximum number of shares which may be issued and for which Awards may be granted under the Plan; (2) change the manner of determining the Exercise Price, other than to change the manner of determining the Fair Market Value of the Common Stock to conform to any then-applicable provision of the Internal Revenue Code; (3) extend the date upon which the Plan shall terminate; or (4) increase the maximum period during which Awards may be exercised hereunder. The Plan shall terminate on, and no Award may be granted after, December 31, 2008, or on such earlier date as may be determined by the Board. No amendment, suspension or termination of the Plan may affect adversely, without the consent of holders of Awards previously granted, the rights of such holders with respect such Awards.

Miscellaneous

The Plan is governed by and subject to United States law. Interpretations of the Plan and rights of participants under the Plan will be governed by provisions of the Plan and United States law, except for aspects relating to income or other taxes which are governed by local law.

Neither the existence of the Plan nor the grant of Awards pursuant to the Plan shall create in any recipient the right to continue to be employed by the Company or any Subsidiary. Participation in the Plan by Eligible Persons is completely voluntary and is not a condition or right of employment of such Eligible Persons. An Eligible Person's status as such shall not automatically give rise to any contractual or other right to receive an Award. Awards may only be made by the Board and the Committee in accordance with the provisions of the Plan. Except as strictly required by applicable law, the value,

if any, associated with Award grants shall not be deemed part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end-of-service payments, bonuses, long-term service awards, pension or retirement benefits, or similar payments.

The holder of an Award will have no rights as a shareholder of PPG with respect to shares of Common Stock, if any, issuable upon exercise of such Award until such person exercises such Award and becomes the holder of record of such shares of Common Stock. Additionally, no adjustment will be made for dividends or distributions or other rights for which the record date is prior to the date upon which such person has become the holder of record of such shares of Common Stock.

Holders of Awards may not assign, sell, encumber, or in any way transfer or alienate their rights under the Plan or such Awards other than by will or the laws of descent and distribution. During a Plan participant's lifetime, only such person or his or her personal representative may exercise such person's Awards and rights under the Plan.

PPG's obligations to issue shares of Common Stock upon the exercise of Awards is subject to compliance with all applicable laws, regulations, rules and orders which may apply to Plan participants, the Company and its Subsidiaries.

THE 1998 AWARDS

Effective July 1, 1998, the Board granted Awards to substantially all active Employees of the Company and its Subsidiaries (the "1998 Awards"). The 1998 Awards first became exercisable beginning July 1, 2003, and will expire June 30, 2008, if not exercised or forfeited on or before such date.

The 1998 Awards granted in the form of Options entitle the holder thereof to purchase 100 shares of PPG Common Stock at an Exercise Price of US\$70.00 per share. The 1998 Awards granted in the form of Stock Appreciation Rights entitle the holder thereof to receive an amount, payable in cash as specified by the Committee, equal to the excess of the Fair Market Value of a share of Common Stock on the date of exercise of such Stock Appreciation Rights over the Exercise Price of US\$70.00 per share, multiplied by one hundred (100), representing the number of shares of Common Stock underlying such Stock Appreciation Rights.

Exercise Procedures & Costs

PPG has retained Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch"), a global financial services company, to assist in administering the exercise of Awards under the Plan. Information concerning specific steps that holders of Awards

must take to exercise their respective Awards, and applicable withholding taxes and applicable brokerage fees and commissions incurred in connection with exercises of Awards, will be distributed separately by PPG's Human Resources Department or Merrill Lynch.

Exercise of Options: The following alternatives are available for exercising Options granted under the Plan:

Alternative 1: Outright Stock Purchase

Upon exercise, a Participant pays the entire exercise price to PPG in cash and receives shares of PPG Common Stock in return. For example, assuming a Participant holds an Option to acquire 100 shares of PPG Common Stock at an exercise price of US\$70.00 per share and elects to exercise the Options using Alternative 1 when the fair market value of shares of PPG Common Stock is US\$80.00 per share, the Participant would pay PPG US\$7,000.00 (100 shares x US\$70.00 per share) in cash and would receive 100 shares of PPG Common Stock in return with an aggregate fair market value of US\$8,000.00 (100 shares x US\$80.00 per share). The Participant will be responsible for all applicable taxes and fees incurred in connection with such exercise. The value of the shares of PPG Common Stock acquired would thereafter increase or decrease based on the market price of PPG Common Stock.

Alternative 2: Stock Purchase Using Option Gain

Upon exercise, a Participant directs the sale of a sufficient number of shares of PPG Common Stock to cover the exercise price of the Options being exercised and receives any remaining shares of PPG Common Stock. For example, assuming a Participant holds an Option to acquire 100 shares of PPG Common Stock at an exercise price of US\$70.00 per share and elects to exercise the Options using Alternative 2 when the fair market value of shares of PPG Common Stock is US\$80.00 per share, the Participant would direct the sale of 87.5 shares of PPG Common Stock ($\text{US\$7,000.00} \div \text{US\$80.00 per share}$) to pay the exercise price of US\$7,000.00 (100 shares x US\$70.00 per share) and would receive in return 12 shares of PPG Common Stock with a fair market value of US\$960.00 plus US\$40.00 in cash, representing the cash value of one-half share, less any applicable taxes, fees and commissions incurred in connection with such exercise. The value of the shares of PPG Common Stock acquired would thereafter increase or decrease based on the market price of PPG Common Stock.

Alternative 3: Cash Gain

Upon exercise, a Participant directs the sale of all of the shares of PPG Common Stock acquired upon exercise of the Options, uses the cash obtained as a result of such

sale to pay the exercise price of the Options being exercised and receives any remaining amount in cash. For example, assuming a Participant holds an Option to acquire 100 shares of PPG Common Stock at an exercise price of US\$70.00 per share and elects to exercise the Options using Alternative 3 when the fair market value of shares of PPG Common Stock is US\$80.00 per share, the Participant would direct the sale of the entire 100 shares of PPG Common Stock for US\$8,000.00 (100 shares x US\$80.00 per share), would then pay the exercise price of US\$7,000.00 (100 shares x US\$70.00 per share) and receive the remaining balance of US\$1,000.00 in cash, less any applicable taxes, fees and commissions incurred in connection with such exercise.

Exercise of Stock Appreciation Rights: Stock Appreciation Rights may only be exercised for cash. Upon exercise, holders of Stock Appreciation Rights will receive in cash an amount equal to the difference between the Fair Market Value of PPG Common Stock on the date of exercise and the exercise price of the Stock Appreciation Rights being exercised. For example, assuming a Participant holds 100 Stock Appreciation Rights with an exercise price of US\$70.00 per share and elects to exercise the Stock Appreciation Rights when the Fair Market Value of shares of PPG Common Stock is US\$80.00 per share, the Participant would receive a cash payment in the amount of US\$1,000.00 ((US\$80.00 – US\$70.00) x 100 Stock Appreciation Rights).

Forfeiture of 1998 Awards

If an Employee's employment with the Company or any Subsidiary was terminated prior to July 1, 2003, for any reason other than retirement, disability or death, any and all Awards granted to such Employee under the Plan were automatically forfeited on the date of such termination and are no longer be exercisable. If an Employee's employment with the Company or any Subsidiary was terminated on or after July 1, 2003, for any reason other than retirement, disability or death, any and all Awards granted to such Employee under the Plan will automatically be forfeited on the date that is sixty (60) days following the date of such termination and thereafter will no longer be exercisable.

U.S. FEDERAL INCOME TAX CONSEQUENCES

Based on the present provisions of the Internal Revenue Code, and the regulations thereunder, the United States federal income tax consequences of the grant and exercise of Awards, and the subsequent disposition of any shares of Common Stock acquired upon exercise of Awards may be summarized as set forth below. The following represents an interpretation of the Internal Revenue Code and the regulations thereunder and is intended only as a general guide. Each individual taxpayer's situation is different and you should seek the advice of a competent tax advisor before you act. This discussion does not address the effect on the grant or exercise of Awards of United States federal estate and gift taxes, state or local taxes or taxes or other levies imposed by

jurisdictions outside the United States. Questions concerning taxes imposed by jurisdictions outside the United States should be addressed to Participant's personal tax advisors or their local PPG Human Resources department.

Options

No income will be recognized by a Participant nor will PPG be entitled to a U.S. federal income tax deduction upon the grant of an Option. Upon the exercise of an Option, a Participant will recognize ordinary income on the date shares or cash is received pursuant to such exercise equal to the amount by which the fair market value of shares of PPG Common Stock at the time of exercise exceeds the Exercise Price. PPG will be entitled to a corresponding U.S. federal income tax deduction in the same amount and at the same time that ordinary income is recognized by a Participant.

If the Participant elects to receive shares of Common Stock upon exercise of an Option, the Participant's tax basis in the shares acquired will be equal to the Exercise Price plus the amount of ordinary income recognized. The Participant's holding period for capital gains purposes with respect to the shares will begin on the date ordinary income is recognized. Upon a subsequent disposition of the shares, the Participant will recognize either a long-term or short-term capital gain (or loss) depending on how long the shares are held before disposition.

EXAMPLE A—Assume a Participant exercises an Option to acquire 100 shares of Common Stock, the Exercise Price for which is US\$70.00 per share. Assume further that the fair market value of shares of Common Stock at the time of exercise is US\$80.00 per share and that the Participant uses Alternative 3 (Cash Gain) to exercise the Option. The amount of ordinary income to be recognized would be calculated as follows:

Fair market value of shares of Common Stock at the time of exercise (US\$80.00 x 100 shares)	\$8,000.00
Exercise Price (US\$70.00 x 100 shares).....	<u>-7,000.00</u>
Amount of Ordinary Income	\$ 1,000.00

Stock Appreciation Rights

The grant of Stock Appreciation Rights will have no U.S. federal income tax consequences for either the Participant or PPG. Upon the exercise of Stock Appreciation Rights, the Participant will recognize ordinary income on the date of exercise equal to the amount of cash received by the Participant in connection with such exercise. PPG will be

entitled to a corresponding U.S. federal income tax deduction equal to the amount of ordinary income recognized by the Participant.

EXAMPLE B—Assume a Participant exercises Stock Appreciation Rights relating to 100 shares of Common Stock and that the Exercise Price as to the Stock Appreciation Rights is US\$70.00 per share. Assume further that the date of exercise is July 25, 2006, that the Fair Market Value of shares of the Common Stock on July 25, 2006, is US\$80.00 per share. The value of the Stock Appreciation Rights would be US\$1,000.00 (US\$80.00 - US\$70.00 x 100 shares = US\$1,000.00) payable in cash. The amount of ordinary income to be recognized would be US\$1,000.00.

PPG INDUSTRIES, INC.
CHALLENGE 2000 STOCK PLAN

1. Purpose

The purpose of the Plan is to promote the attainment of the Company's Challenge 2000 goals by awarding Options and Stock Appreciation Rights to Employees by which Employees may benefit from the increase in the value of the Common Stock of the Company which is expected to result from attaining such goals.

2. Definitions

(a) "Award" means any Option or Stock Appreciation Right granted under the Plan.

(b) "Award Term" means the period during which an Option or a Stock Appreciation Right may be exercised.

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

(d) "Code" means the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated thereunder.

(e) "Committee" means the Compensation and Employment Benefits Committee of the Company or any successor thereto.

(f) "Common Stock" means the Common Stock of the Company.

- (g) “Company” means PPG Industries, Inc.
- (h) “Director” means any director of the Company.
- (i) “Eligible Person” means any Employee who is not an Insider.
- (j) “Employee” means any person (including any officer) employed by the Company or any of its Subsidiaries.
- (k) “Exercise Price” means the Fair Market Value of a share of Common Stock on the Grant Date.
- (l) “Fair Market Value” of a share of Common Stock means the closing sale price reported for any applicable date on the New York Stock Exchange-Composite Tape or, if there is no sale on such date, for the nearest preceding date upon which such a sale took place.
- (m) “Grant Date” means the date as of which an Option or a Stock Appreciation Right is granted, unless another date is specified by the Board or the Committee.
- (n) “Insider” means an officer of the Company or a Director subject to Section 16 of the Securities Exchange Act of 1934.
- (o) “Nonqualified Option” means an Option which does not qualify as an “incentive stock option” as defined in Section 422 of the Code.
- (p) “Option” means an option granted hereunder to purchase a specified number of shares of Common Stock.
- (q) “Participant” means any Eligible Person who has received an Award.
- (r) “Plan” means the PPG Industries, Inc. Challenge 2000 Stock Plan, as set forth herein and as amended from time to time.
- (s) “Stock Appreciation Right” means an Award to benefit from the appreciation of Common Stock granted pursuant to the provisions of Section 5 of the Plan.

(t) “Subsidiary” means any corporation fifty percent (50%) or more of the outstanding voting stock or voting power of which is owned, directly or indirectly, by the Company and any partnership or other entity in which the Company has a fifty percent (50%) or more ownership interest.

3. Administration

The Board and the Committee shall both have full power and authority pursuant and subject to the provisions of the Plan: (1) to determine from time to time which Eligible Persons shall be granted Awards; (2) to determine the number of shares of Common Stock subject to each Award, the Award Term, and the terms and conditions upon which Awards may be exercised and in the case of an Option Award, the form of payment of the Exercise Price; (3) to construe and interpret the Plan, to establish, amend and revoke rules and regulations relating to the Plan, and to determine all questions or controversies arising in the administration or operation of the Plan; and (4) generally, to exercise such powers and take such actions as the Board or the Committee may deem necessary or advisable to administer or implement the Plan. Any determination or decision made or action taken by the Board or the Committee in connection with the Plan shall be final, conclusive and binding on all persons, including the Company, its shareholders and Participants.

4. Awards

Awards under the Plan may be Options or Stock Appreciation Rights (or any combination thereof).

5. Options

(a) Options to purchase a specified number of shares of Common Stock at a specified price may be granted from time to time to Eligible Persons. Options granted hereunder may be Nonqualified Options only.

(b) The Exercise Price of each Option shall be the Fair Market Value of a share of Common Stock on the Grant Date. The Exercise Price may be paid in such form as the Board or the Committee may specify.

(c) Options may be exercised at such times and in such manner

as shall be prescribed by the Board or the Committee, except that no Option shall be exercisable under any circumstances more than ten (10) years from the Grant Date.

6. Stock Appreciation Rights

(a) A Stock Appreciation Right is an Award entitling a Participant to receive an amount equal to the excess of the Fair Market Value of a share of Common Stock on the date of exercise over the Exercise Price, multiplied by the number of shares of Common Stock with respect to which the Stock Appreciation Right shall have been exercised.

(b) A Stock Appreciation Right may be exercised by a Participant at such times and in such manner as shall be prescribed by the Board or the Committee, except that no Stock Appreciation Right shall be exercisable under any circumstances more than ten (10) years from the Grant Date.

(c) Payment to a Participant upon exercise of a Stock Appreciation Right may be made in cash or in shares of Common Stock, as the Board or the Committee shall determine.

7. Number of Shares Available for Issuance and Subject to Awards

(a) The maximum number of shares of Common Stock which may be issued under the Plan and as to which Awards may be granted shall be 4.0 Million. Any shares of Common Stock subject to Awards that are forfeited or unexercised, to the extent Awards remain unexercised at the expiration or termination thereof may be subject to the grant of further Awards under the Plan. The number of shares which may be issued and as to which Awards may be granted under the Plan shall be further subject to adjustment in accordance with Section 9.

(b) The Common Stock to be issued under the Plan may be either authorized but unissued shares or issued shares acquired by the Company and held in its treasury.

8. Government and Other Regulations

The obligation of the Company to issue or transfer and deliver shares for Awards exercised under the Plan shall be subject to (1) the

effectiveness of a registration statement under the Securities Act of 1933, as amended, with respect to such issue or transfer, if deemed necessary or appropriate by counsel for the Company; (2) the condition that the shares of Common Stock authorized to be issued hereunder shall have been listed (or authorized for listing upon official notice of issuance) upon each stock exchange on which outstanding shares of Common Stock may then be listed; and (3) all other applicable laws, regulations, rules and orders which shall then be in effect and which may apply to the Participant, the Company and its Subsidiaries.

9. No Right to Employment

Neither the existence of the Plan nor the grant of any Award pursuant to the Plan shall create in any Participant or Eligible Person the right to continue to be employed by the Company or a Subsidiary.

10. Adjustments Upon Changes in Capitalization

In the event of any change in the number of outstanding shares of Common Stock by reason of any stock dividend, stock split or similar change, a corresponding change shall be made in the numbers of shares subject to outstanding Awards, in the Exercise Price of outstanding Awards and in the maximum number of shares which then remain available for issuance. In the event of any change in the outstanding shares of Common Stock, or in the number thereof, by reason of any merger, consolidation, combination, sale of assets, exchange of shares, recapitalization, reorganization, spin-off or similar change, the Board may make such changes in the shares, and in the numbers or Exercise Prices of shares, subject to outstanding Awards, and in the maximum number of shares which may be issued under the Plan, as the Board may deem to be equitable. No such change, without the consent of a Participant may adversely affect the rights of such Participant with respect to an Award previously granted, and any such change shall be final, conclusive and binding on all persons, including the Company, its shareholders and Participants.

11. Amendment and Termination

The Board or the Committee may amend or suspend the Plan, in whole or in part, at any time, but no amendment may, without Board approval, (1) increase the maximum number of shares which may be

issued and for which Awards may be granted under the Plan; (2) change the manner of determining the Exercise Price, other than to change the manner of determining the Fair Market Value of the Common Stock to conform to any then-applicable provision of the Code; (3) extend the date upon which the Plan shall terminate; or (4) increase the maximum period during which Awards may be exercised hereunder. The Plan shall terminate on, and no Award may be granted after, December 31, 2008, or on such earlier date as may be determined by the Board. No amendment, suspension or termination of the Plan may affect adversely, without the consent of the Participant, the rights of such Participant with respect to an Award previously granted.