

**AMENDED PLAN OF ALLOCATION**

**I. Definitions**

- A. "Divestment" shall mean any exchanges, withdrawals, and/or distributions of assets from any Fund.
- B. "Fund" shall mean either (i) the Sprint Stock Fund (TCUT), (ii) the Sprint FON Stock Fund (TCZU), (iii) the Sprint PCS Stock Fund (TCZU), (iv) the TRASOP<sup>1</sup> Sprint FON Stock Fund (TCZN), (v) the TRASOP Sprint PCS Stock Fund (TCZJ), (vi) the Sprint FON CESOP<sup>2</sup> Fund (TRFC), (vii) the Sprint PCS CESOP Stock Fund (TRFB), or (viii) the United Telecom Unitized Stock Fund (TCUT).
- C. "Plan" shall mean either (i) the Sprint Retirement Savings Plan (the "SRS Plan")<sup>3</sup>, (ii) the Sprint Retirement Savings Plan for Bargaining Unit Employees (the "SRS Plan BUE")<sup>4</sup> or (iii) the Centel Retirement Savings Plan for Bargaining Unit Employees ("CRS Plan BUE").
- D. "Participant" shall mean, for the purposes of this Amended Plan of Allocation only:

(1) any person who ceased to be an employee of Sprint at least as of May 1, 2006, who participated in at least one of the Plans for whose individual accounts a Plan purchased or held units in any of the Funds from June 2, 1998 through and including February 13, 2003, or

(2) any participant in the Embarq Retirement Savings Plan, the SRS Plan BUE, or the CRS Plan BUE for whose individual accounts a Plan purchased or held units in any of the Funds from June 2, 1998 through and including February 13, 2003.

The term "Participant" shall exclude all former Sprint employees, but not those employed by Embarq, who were less than 100% vested at the time of separation from the Company and who remain participants in the SRS Plan, the SRS Plan BUE, or the CRS Plan BUE.

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<sup>1</sup> TRASOP is the Sprint employee stock ownership plan, effective January 1, 1976.

<sup>2</sup> CESOP is the Centel Employee Stock Ownership Plan, effective July 1, 1975.

<sup>3</sup> As a result of the spinoff of the local telecommunications division of Sprint, the SRS Plan has been split into the Sprint Nextel 401(k) Plan and the Sprint Retirement Savings Plan for the Local Telecommunications Division. As of May 17, 2006, the Sprint Retirement Savings Plan for the Local Telecommunications Division is known as the Embarq Retirement Savings Plan. For purposes of this Plan of Allocation, all references to the "SRS Plan" will include the Sprint Retirement Savings Plan, the Sprint Nextel 401(k) Plan, the Sprint Retirement Savings Plan for the Local Telecommunications Division, and the Embarq Retirement Savings Plan.

<sup>4</sup> As of May 17, 2006, the Sprint Retirement Savings Plan for Bargaining Unit Employees is known as the Embarq Retirement Savings Plan for Bargaining Unit Employees. For purposes of this Plan of Allocation, all references to the "SRS Plan BUE" will include both the Sprint Retirement Savings Plan for Bargaining Unit Employees and the Embarq Retirement Savings Plan for Bargaining Unit Employees.

These excluded class members receive their settlement proceeds as set forth in the Settlement Agreement at section 7.2.2 and as set forth in the Answer to Question 8a of the Supplemental Class Notice.

The term "Participant" shall further exclude Defendants, as defined in Section 1.13 of the Settlement Agreement, members of the board of directors of Sprint Corporation and the beneficiaries of any of the foregoing excluded parties.

- E. "Former Participant" shall mean any Participant who has terminated his/her service with Sprint and taken a complete distribution from his/her respective Plan as of the date that the Recordkeeping Entity (as defined herein) performs the Calculation of the Allocated Amounts, as set forth below.
- F. "Class Period" shall mean June 2, 1998 through and including February 13, 2003.

## **II. Calculation of the Allocated Amounts**

- A. For each Participant and Former Participant, Fidelity or some other entity selected by Sprint Nextel (the "Recordkeeping Entity") shall determine the approximate net loss ("Net Loss").  $\text{Net Loss} = A + B - C - D$ , where, for each Participant's account:
  - 1. A = the dollar value, if any, of the total balance in all of the Funds, collectively, on the first day of the Class Period, June 2, 1998;
  - 2. B = the dollar value, if any, of any investment (through whatever means) made in any Fund during the Class Period;
  - 3. C = the dollar value, if any, as of the time of any Divestment (through whatever means) from any of the Funds during the Class Period; and
  - 4. D = the dollar value, if any, of the total balance in all of the Funds, collectively, remaining on the last day of the Class Period, February 13, 2003.
- B. Participants and Former Participants whose Net Loss is negative are excluded from further calculations under this Amended Plan of Allocation.
- C. The Recordkeeping Entity shall calculate for each Participant and Former Participant his or her "Preliminary Fractional Share" by dividing each such Participant's Net Loss by the sum of the Net Loss suffered by all Participants and Former Participants who had positive Net Loss.
- D. The Recordkeeping Entity shall then calculate for each Participant and Former Participant his or her "Preliminary Dollar Recovery" from the Cash Settlement Fund (as that term is defined in the Settlement Agreement) by multiplying that Participant's Preliminary Fractional Share by the Cash Settlement Fund.
- E. The Recordkeeping Entity shall, through application of the above formula, identify all Participants and Former Participants whose Preliminary Dollar Recovery is less than twenty-five dollars (\$25.00) (the "De Minimis Amount"). Because of the administrative expense associated with the distribution of the De Minimis Amount to Participants and

Former Participants, no allocation shall be made from the Cash Settlement Fund of any De Minimis Amount.

- F. The Recordkeeping Entity shall then exclude Participants and Former Participants who will not receive an allocated amount and recalculate the Preliminary Fractional Shares and the Preliminary Dollar Recoveries as many times as necessary so as to arrive at a “Final Fractional Share” and “Final Dollar Recovery” for each Participant and Former Participant who is entitled to more than a De Minimis Amount. The sum of the Final Dollar Recoveries must equal the Cash Settlement Fund.

### **III. Distribution of the Allocated Amounts**

- A. As soon as practicable after the calculations pursuant to section II, *supra*, Plaintiffs’ counsel shall direct that the Cash Settlement Fund be paid from the Cash Settlement Fund Account into the Plans.
- B. The Recordkeeping Entity shall create an individual account for each Former Participant as if that Former Participant had remained in his/her respective Plan. Each Former Participant’s Final Dollar Recovery will be credited to the new account and invested in the PIMCO Separately Managed I Account until either (i) the Former Participant directs what should be done with the balance in the individual account, (ii) the amount is distributed under the Plans’ involuntary distribution provision applicable to accounts with balances less than \$1,000 or (iii) some other action occurs pursuant to the normal operation of the Plans’ provisions.

### **IV. Qualifications and Continuing Jurisdiction**

- A. In light of the manner in which the data is kept, the ease with which it can be manipulated and the extent to which it is possible to locate Participants, it may be appropriate to simplify some of the features of these calculations or modify some of the procedures for allocation. Such simplifications and modifications are acceptable as long as three basic features of the distribution are preserved: (1) that each Participant receives a share of the Cash Settlement Fund approximately based on the decline in the value of Sprint FON or PCS stock held in that Participant’s Plan account during the Class Period in comparison with the decline in value of Sprint FON or PCS stock held in other Participants’ Plan accounts, (2) that the distribution take place through the Plan, and (3) that the allocation be made so as to minimize unnecessary administrative expense. Any such changes will be presented to the Court for approval pursuant to section IV.B. below.
- B. The Court will retain jurisdiction over this Amended Plan of Allocation to the extent necessary to ensure that it is fully and fairly implemented.