

SPRINT CORPORATION ERISA LITIGATION
PLAN OF ALLOCATION

I. Definitions

A. "Divestment" shall mean any exchanges, withdrawals, and/or distributions of assets from any Fund.

B. "Former Participant" shall mean any Participant who has terminated his/her service with Sprint and taken a complete distribution from his/her respective Plan.

C. "Fund" shall mean either: (1) the Sprint FON Stock Fund, (2) the Sprint PCS Stock Fund,(3) the TRA-SOP¹ Sprint FON Stock Fund, (4) the TRASOP Sprint PCS Stock Fund, (5) the Sprint FON CESOP Fund or (6) the Sprint PCS CESOP² Stock Fund.

D. "Participant" shall mean: (1) any person who ceased to be an employee of Sprint at least as of January 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 SRS Plan BUE or the CRS Plan BUE, excluding 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. "Plan" shall mean either: (1) the Sprint Retirement Savings Plan (the "SRS Plan"),³ (2) the Sprint Retirement Savings Plan for Bargaining Unit Employees (the "SRS Plan BUE") or (3) the Centel Retirement Savings Plan for Bargaining Unit Employees ("CRS Plan BUE").

II. Calculation of the Allocated Amounts

A. For each Participant, the Administrator shall determine the approximate net loss ("Net Loss"). Net Loss = $(A + B - C - D) \times E$, 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;

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 or, for Former Participants, on the last day the member was a Participant; and

5. E = the percentage of a Participant's combined Employee and Employer Contributions invested in the Funds that was vested as of December 31, 2005 or for Former Participants, on the last day the member was a Participant (i.e., the Participant's total vested contributions in the Funds as set forth above divided by the Participant's total employee and employer contributions in the Funds as set forth above).

B. Participants whose Net Loss is negative are excluded from further calculations under this Plan of Allocation.

¹ TRASOP is the Sprint employee stock ownership plan, effective January 1, 1976.

² CESOP is the Centel Employee Stock Ownership Plan, effective July 1, 1975.

³ As a result of the merger between Sprint, Inc. and Nextel, Inc., the SRS Plan has been split into the Sprint/Nextel 401(k) Plan and the Sprint Retirement Savings Plan for the Local Telecommunications Division.

C. The Administrator shall calculate for each Participant his or her “Preliminary Fractional Share” by dividing each Participant’s Net Loss by the sum of the Net Loss suffered by all Participants who had positive Net Loss.

D. The Administrator shall then calculate for each Participant his or her “Preliminary Dollar Recovery” from the Cash Settlement Fund (as that term is defined in the Settlement Agreement) by multiplying the Participant’s Preliminary Fractional Share by the Cash Settlement Fund.

E. The Administrator shall then deduct from the Preliminary Dollar Recovery for each Participant the cash value of any amount received in any Participant’s account as a result of the increase in the vested amount of matching contributions pursuant to paragraph 7.2.2 of the Class Action Settlement Agreement, which shall be the “Adjusted Preliminary Dollar Recovery.”

F. The Administrator shall, through application of the above formula, identify all Participants whose Adjusted Preliminary Dollar Recovery is less than ten dollars (\$10.00) (the “De Minimus Amount”). Because of the administrative expense associated with the distribution of the De Minimus Amount to Participants, no allocation shall be made from the Cash Settlement Fund of any De Minimus Amount.

G. The Administrator shall then exclude Participants who will not receive an allocated amount and recalculate the Preliminary Fractional Shares and the Adjusted Preliminary Dollar Recoveries as many times as necessary so as to arrive at a “Final Fractional Share” and “Final Dollar Recovery” for each Participant who is entitled to more than a De Minimus 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, the Administrator shall pay the Cash Settlement Fund into the Plans.

B. The Administrator shall create an individual account for each Participant as if that Participant had remained in his/her respective Plan. Each Participant’s Final Dollar Recovery will be credited to the new account and invested in the PIMCO Separately Managed I Account until either: (1) the Participant directs what should be done with the balance in the individual account, (2) the amount is distributed under the Plans’ involuntary distribution provision applicable to accounts with balances less than \$1,000, or (3) 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 Plan of Allocation to the extent necessary to ensure that it is fully and fairly implemented.