

Subject to completion, dated February 11, 2003

As filed with the Securities and Exchange Commission on February 11, 2003
Registration No. 333-_____

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-3
REGISTRATION STATEMENT
Under
THE SECURITIES ACT OF 1933

OPTICAL CABLE CORPORATION

(Exact name of registrant as specified in our charter)

Virginia
(State or Other Jurisdiction of Incorporation or
Organization)

3357
(Primary Standard Industrial
Classification Code Number)

54-1237042
(I.R.S. Employer
Identification Number)

5290 Concourse Drive
Roanoke, Virginia 24019
(540) 265-0690

(Address and telephone number of registrant's principal executive offices)

Mr. Neil D. Wilkin, Jr.
Optical Cable Corporation
5290 Concourse Drive
Roanoke VA 24019
540-265-0609

(Name, address and telephone number of agent for service)

Copy to:
Leslie A. Grandis
McGuireWoods LLP
One James Center
901 East Cary Street
Richmond, Virginia 23219

Approximate date of commencement of proposed sale to the public: as soon as practicable after the effective date of this registration statement.

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If the only securities being registered on this form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

/ /

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. /X/

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / /

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / /

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. / /

CALCULATION OF REGISTRATION FEE

<u>Title Of Each Class Of Securities</u>	<u>Amount To Be Registered¹</u>	<u>Proposed Maximum Offering Per Share²</u>	<u>Proposed Maximum Aggregate Offering Price²</u>	<u>Amount Of Registration Fee</u>
Common Shares, no par value	250,000	\$ 4.88	\$ 1,220,000	\$ 112.24

- (1) The common shares that may be offered pursuant to this registration statement are issuable upon exercise of common share purchase warrants to be issued to class members pursuant to a Stipulation of Settlement that was approved by the United States District Court for the Western District of Virginia relating to a consolidated class action lawsuit filed against the registrant and some of our current and former officers and directors.
- (2) Estimated, pursuant to Rule 457(g) under the Securities Act of 1933, solely for the purpose of determining the registration fee and based on the exercise price of the warrants of \$4.88 per share.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.



OPTICAL CABLE CORPORATION

250,000 COMMON SHARES

NO PAR VALUE PER SHARE

The shares offered by this prospectus are issuable upon exercise of common share purchase warrants to be issued to class members pursuant to a settlement agreement among Optical Cable Corporation, some of our current and former officers and directors and plaintiffs' counsel that was approved by the United States District Court for the Western District of Virginia on September 23, 2002, relating to a consolidated class action law suit filed against Optical Cable and some of our current and former officers and directors. Optical Cable will sell the common shares to class members upon exercise of the warrants at an exercise price of \$4.88 per common share. If all of the warrants are exercised, Optical Cable would receive aggregate cash proceeds of \$1,220,000. However, holders of warrants may not exercise some or all of the warrants.

Optical Cable's common shares are quoted on the Nasdaq Stock Market under the symbol "OCCF." On February 5, 2003, the last reported sale price of the common shares was \$3.11 per common share.

Investing in Optical Cable's common shares involves risks. See "Risk Factors" beginning on page 3.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Prospectus dated February 11, 2003

The information in this prospectus is not complete and may be changed. Optical Cable may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

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Optical Cable has not authorized anyone to provide you with information that is different from that contained or incorporated by reference in this prospectus. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of the shares.

DEFINED TERMS

As used in this prospectus, (a) “Optical Cable,” “we,” “us” and “our” refers to Optical Cable Corporation, (b) “common shares” means Optical Cable’s common stock, no par value per share, (c) “warrants” mean the warrants to purchase common shares to be issued by Optical Cable in connection with the Stipulation, and (d) “Stipulation” or “Stipulation of Settlement” means the Stipulation of Settlement, among Optical Cable Corporation, some of our current and former officers and directors, and plaintiffs’ counsel that was approved by the United States District Court for the Western District of Virginia as set forth in the Court’s Order and Final Judgment dated September 23, 2002, relating to a consolidated class action lawsuit filed against us and some of our current and former officers and directors by certain of our shareholders.

FORWARD-LOOKING STATEMENTS

Statements contained in this prospectus may discuss future expectations, contain projections of results of operations or financial condition or state other “forward-looking” information. You can identify these forward-looking statements by the use of the words “believes,” “anticipates,” “plans,” “expects,” “may,” “will,” “intends,” “estimates,” and similar expressions, whether in the negative or affirmative. Those statements are subject to known and unknown risks, uncertainties and other factors that could cause the actual results to differ materially from those contemplated by the statements, including those risks and uncertainties discussed in the “Risk Factors” section of this prospectus or in Optical Cable’s periodic filings with the Securities and Exchange Commission (the “SEC”). In light of the significant risks and uncertainties inherent in the forward-looking statements included in this prospectus, the inclusion of such statements should not be regarded as a representation by us or any other person that our objectives and plans will be achieved.

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the information requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith we file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission. Such reports, proxy statements and information may be inspected and copied, at prescribed rates, at the SEC’s Public Reference Room at 450 Fifth Street, N.W., Washington, D.C. 25049. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. Such reports, proxy statements and other information, when available, also may be

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accessed through the Internet site maintained by the SEC (<http://www.sec.gov>). In addition, our common shares, no par value, are quoted on the Nasdaq Stock Market under the symbol "OCCF," and such material may also be available from the Nasdaq Stock Market.

We have filed with the SEC a registration statement on Form S-3 under the Securities Act, with respect to the securities registered hereby. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement and in the exhibits and schedules thereto. For further information about us and our common shares, we urge you to carefully review the registration statement and the accompanying exhibits and schedules. The registration statement may be inspected without charge at, or copies obtained upon payment of prescribed fees from, the SEC. Any statements we have made in this prospectus concerning a provision of any document are not necessarily complete, and, in each instance, we urge you to carefully review the copy of such document filed as an exhibit to the registration statement or otherwise filed with the SEC. Each such statement is qualified in its entirety by such reference.

The SEC allows us to "incorporate" into this prospectus information that we file with the SEC in other documents. This means that we can disclose important information to you by referring to other documents that contain that information. The information incorporated by reference is considered to be part of this prospectus, and the information that we file with the SEC in the future and incorporate by reference will automatically update and may supersede the information contained in this prospectus. We incorporate by reference the documents listed below and any future filings we make with the SEC under Sections 13(a), 13(c), 14 of 15 (d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), prior to the sale of all of the shares covered by this prospectus.

The following documents that Optical Cable has filed with the SEC are incorporated by reference:

- (1) Annual Report on Form 10-K for the year ended October 31, 2002;
- (2) Current Report on Form 8-K dated January 10, 2003, filed January 22, 2003;
- (3) The description of our common shares, share purchase rights, and warrants to purchase our common shares, all as contained in our registration statements on Form 8-A, including any amendments or reports filed for the purpose of updating or supplementing such description.

We will provide without charge to each person to whom this prospectus is delivered, upon the written or oral request, a copy of any of the documents incorporated herein by reference (other than exhibits to such documents unless such exhibits are specifically incorporated by reference herein). Requests for such documents should be directed to the Secretary of Optical Cable Corporation, in writing, at 5290 Concourse Drive, Roanoke, VA 24019 or by telephone at 540-265-0690.

OPTICAL CABLE CORPORATION

Optical Cable Corporation was incorporated in Virginia in 1983. Our executive offices are located at 5290 Concourse Drive, Roanoke, Virginia 24019, and our telephone number is (540) 265-0690.

We are a leading manufacturer of a broad range of tight-buffer fiber optic cables primarily for the local area network and premise markets, often referred to as the enterprise market. Our fiber optic cables are well-suited for use in short to moderate distance applications to connect metropolitan, access and enterprise networks.

We pioneered the design and production of special tight-buffer fiber optic cables for the most demanding military field applications in the early 1980s—applications requiring rugged, flexible and compact fiber optic cables. At our ISO 9001 registered facility in Roanoke, Virginia, we manufacture a broad range of fiber optic cables for “high bandwidth” transmission of data, video, and audio communications over short to moderate distances. Our cables can be used both indoors and outdoors and utilize a unique tight-buffer coating process and cable construction that provides excellent mechanical and environmental protection for each optical fiber. Our current portfolio of products is built on the evolution and refinement of the original fundamental technology into a comprehensive and versatile product line designed to provide end-users with significant value and performance. Our fiber optic cables are easy and economical to install, provide a high degree of reliability and offer outstanding performance characteristics. We have designed and implemented an efficient and automated manufacturing process based on our proprietary technologies. This enables us to produce high quality indoor/outdoor tight-buffer fiber optic cable rapidly and cost efficiently.

RISK FACTORS

Investing in our common shares involves a high degree of risk. You should carefully consider the following risk factors and all other information contained in this prospectus before investing in Optical Cable’s common shares. The risk factors include risks related to our industry as well as risks related to our business. The trading price of Optical Cable’s common shares could decline due to any of these risks or other factors and you may lose all or part of your investment.

Any decline in the demand for tight-buffer fiber optic cable may cause our sales to fall.

Tight-buffer fiber optic cable accounts for all of our sales. As a result, any decline in the demand for tight-buffer fiber optic cable will likely cause our sales to fall and adversely affect our financial condition, our prospects for the future and our share price. Furthermore, to the extent that alternative fiber optic cable constructions, such as loose-tube fiber optic cable, become more accepted as alternatives to tight-buffer fiber optic cable construction in our target markets, our sales, financial condition, prospects for the future and share price may be adversely affected.

Any decline in demand for fiber optic cable used in short to moderate distance applications such as metropolitan, access and enterprise networks may cause our sales to fall.

A majority of our fiber optic cables are used in short to moderate distance applications for enterprise networks, and to a lesser extent, metropolitan and access networks. Any decline in the demand for fiber optic cable used in short to moderate distance applications, such as metropolitan, access and enterprise networks, will likely cause our sales to fall and adversely affect our sales, financial condition, prospects for the future and share price.

Our future growth depends on the rate at which optical networks are deployed in the metropolitan, access and enterprise markets.

We focus on producing tight-buffer fiber optic cable that is used to connect optical networking equipment in short to moderate distance applications, such as the metropolitan, access and enterprise markets. Our future growth depends on the rate at which optical networking and related optical cabling are deployed in these markets. Tight-buffer fiber optic cable is not suitable for use in the long-haul networking market due to cost inefficiencies and size considerations. We cannot be certain that organizations in metropolitan, access and enterprise markets will continue to deploy fiber optic cabling to extend the reach of their fiber optic networks. Moreover, we cannot be certain of the growing use of optical networks by organizations in the metropolitan, access and enterprise markets. The desire of organizations to deploy fiber optic cabling will depend on end-user demand for the increased bandwidth made possible by optical networks, as well as a lack of suitable alternative technologies. The current economic downturn has dampened capital spending on fiber optic networking and fiber optic cables, and may continue to do so for the foreseeable future.

The optical networking market is ever changing and if the fiber optic networking market does not develop and expand as we anticipate, sales for our products may decline, which would negatively impact our financial performance.

The optical networking market is characterized by rapid technological change, changes in customer requirements, evolving industry standards and frequent new product introductions. Our success will, to a significant degree, depend on our ability to develop and introduce in a timely fashion new products that address customers' diverse needs, incorporate new technologies, conform to changing industry standards and achieve market acceptance. Fiber optic cabling also competes with alternative broadband delivery technologies such as wireless and coaxial cable. If alternative broadband technologies gain greater relative acceptance, demand for fiber optic cables may decline.

Our ability to remain competitive in the fiber optic cable market is crucial to our continued success.

The market for fiber optic cables, including the moderate distance market in which our products are concentrated, is highly competitive. We compete with large, integrated fiber optic cable manufacturers such as Corning Cabling Systems, Pirelli, OFS (formerly Lucent

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Technologies), Alcatel and Draka, as well as with other large fiber optic cable manufacturers such as General Cable, Mohawk/CDT, Berk-Tek, CommScope and others. Some of our competitors are more established, benefit from greater market recognition and have much greater financial, research and development, production and marketing resources than we do. Competition could increase if new companies enter the market or if existing competitors expand their product lines.

Robert Kopstein, our former Chairman, President and Chief Executive Officer, who was removed from his roles with us by a Special Committee of our Board of Directors in December 2001 may choose to compete with us in the future. Furthermore, fiber optic cable competes with copper wire cable and other alternative transmission media including wireless and satellite communications. An increase in competition could have a material adverse effect on our business and operating results because of price reductions and loss of market share. There can be no assurance that Optical Cable will be able to maintain our competitive position.

We are a “microcap” stock with little, if any, coverage by security analysts, and with few institutional investors. Therefore, the price of our common shares is volatile and subject to significant fluctuations.

Optical Cable Corporation has a relatively low market capitalization represented by the total number of common shares issued and outstanding multiplied by the price per common share. Often the capital stock of companies with such low market capitalizations are referred to as “microcap” stocks. As a result of this low market capitalization, it is quite difficult for us to secure coverage by security analysts and to convince institutional investors to invest in our common shares. Additionally, our low market capitalization makes it likely that the sale or purchase of even relatively small blocks of our common shares can result in significant fluctuations in the price of our common shares with or without any underlying change in our financial performance. As a result, the price of our common stock is volatile and subject to significant fluctuations.

We believe our quarterly results may tend to fluctuate due to many factors, including seasonality. The price of our common shares will likely fall if our quarterly results are lower than the expectations of securities analysts, if any, or our shareholders.

We expect our sales and income to fluctuate from quarter to quarter. In future quarters, our operating results may be below the expectations of securities analysts, if any securities analysts are offering coverage of us, or our shareholders. If this occurs, the price of our common shares is likely to fall and you may lose all or part of your investment. A number of factors, many of which are discussed in more detail in other risk factors, may cause variations in the results of our operations, including:

- the proportion of our net sales made to distributors relative to other types of customers;
- the proportion of large to small orders;

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- our product mix;
- the timing of orders that we receive from our customers;
- changes in the cost and availability of our raw materials;
- our manufacturing capacity and yield; and
- capital spending for fiber optic cabling in the metropolitan, access and enterprise markets.

A significant percentage of our expenses, including those relating to manufacturing, sales and marketing, and general and administrative functions, are relatively fixed in the short term. As a result, if we experience delays in generating or recognizing revenue, our operating results would be disproportionately affected. You should not rely on our results for one quarter as any indication of our future performance. We believe our results of operations may reflect some seasonality. Historically, our sales are lower in the first half of each fiscal year and higher in the second half of each fiscal year, which we believe may be partially due to construction cycles and budgetary cycles of our customers. However, our sales have not followed this pattern in fiscal years 2001 and 2002, and may not follow this pattern in fiscal year 2003.

Some of our optical fiber suppliers are also competitors and if our supply relationship with them deteriorates, it could harm our business.

Some of our suppliers of optical fiber are also major competitors in the market for fiber optic cables. For example, we may buy some of our optical fiber from a supplier that also offers fiber optic cables that compete with our fiber optic cables. Our business, financial condition, future prospects, and results of operations could be harmed if these suppliers reduce the amount of optical fiber available to us, increase their prices, lengthen the lead time for orders or otherwise adversely affect our ability to secure optical fiber on competitive terms.

If our supplier relationships are disrupted, our operating results may suffer.

We currently rely on a limited number of suppliers for our supply of optical fiber and aramid yarns. We do not have long-term agreements with all of these suppliers. These raw materials are critical to our production of fiber optic cables, and any disruption in the supply of raw materials could adversely affect our fiber optic cable production capability and adversely affect our operating results. There can be no assurance that our suppliers will continue to meet our optical fiber and aramid yarn requirements or meet these requirements on competitive terms.

A material portion of our net sales are made to distributors. If one or more of our distributors do not continue to purchase our products in significant quantities, our net sales and profitability may materially decline.

We depend on our distributors offering our products. Our distributors carry the products of our competitors and are not contractually committed to carry our products or purchase any

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minimum quantities. If any one of our distributors decides to purchase significantly less of our products or terminate their relationship with us, our sales and profitability may materially decline. We could lose our key distributors because of factors beyond our control, such as a significant disruption in our distributors' businesses generally or in a specific product line. In addition, if any of our distributors merge, we may experience lower overall sales.

We rely on our proprietary manufacturing processes, and if our competitors develop similar processes or third parties infringe upon those processes, our ability to compete may be harmed.

Our success and ability to compete is dependent in part on our proprietary manufacturing technology. None of our current manufacturing processes or products is protected by patents. We rely on a combination of trade secrets and technical measures to establish and protect our rights pertaining to our production technology. This protection may not deter misappropriation or preclude competitors from developing production processes, techniques or equipment with features identical, similar or superior to ours, which could harm our ability to compete. We believe that none of our products, trademarks or other proprietary rights infringes on the proprietary rights of others. However, third parties may assert infringement claims against us in the future with respect to our present or future products that may require us to enter into license agreements or result in protracted and costly litigation, regardless of the merits of these claims.

If we fail to retain our key employees, our business may be harmed.

Our success has been largely dependent on the skills, experience and efforts of our key employees, and the loss of the services of any of our executive officers or other key employees could have an adverse effect on us. The loss of our key employees who have intimate knowledge of our manufacturing process could lead to increased competition in the marketplace to the extent that those employees are able to recreate our manufacturing process. Our future success will also depend in part upon our continuing ability to attract and retain highly qualified personnel, who are in great demand.

Our ability to manage our growth, if any, successfully is crucial to our future prospects.

Our ability to operate successfully in the future will depend on our ability to manage the effects of growth, if any, on manufacturing, distribution, marketing, customer service, engineering, product development, quality control, administration and financial condition. Our failure to manage growth, if any, effectively could have a material adverse effect on our business or results of operations.

International sales are important to us and may put our future revenues at the risk of currency, political, economic and regulatory fluctuations.

In fiscal years 2000, 2001 and 2002, export net sales represented approximately 21%, 23% and 23% of our net sales, respectively, and we expect that international business will continue to account for a significant portion of our sales. Our international business subjects us to added burdens and risks. These burdens and risks include currency fluctuations, greater

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uncertainty in political and economic conditions, unexpected changes in regulatory and tariff requirements and added complexity in complying with legal requirements.

Foreign regulatory bodies often establish standards different from those in the United States. Our products are designed generally to meet U.S. standards. Although our quality management system is certified to the internationally recognized ISO 9001 quality standard, and although some of our products are designed to meet the requirements of various European and Far Eastern markets, any inability by us to maintain our ISO 9001 quality standard certification or to design products in compliance with foreign standards could have a material adverse effect on our operating results.

There can be no assurance that we will be able to comply with any trade or other policies of foreign countries. Although most of our international sales are denominated in U.S. dollars, our international business may be affected by changes in demand resulting from fluctuations in currency exchange rates as well as by risks such as restrictive tariff regulations.

Potential strategic alliances may not achieve their objectives.

We intend to explore strategic alliances designed to increase the use of our manufacturing capacity, to increase distribution of our products and to secure supplies of raw materials. We may not be successful in developing these strategic alliances. Moreover, alliances that Optical Cable does develop may not achieve their strategic objectives, and parties to our strategic alliances may not perform as contemplated.

If a disaster struck our primary business facility, our business, results of operations and financial condition may be harmed.

We believe that our success to date has been, and future results of operations will be, dependent in large part upon our ability to provide prompt and efficient service to our customers. As a result, any disruption of our day-to-day operations could have a material adverse effect upon us. Our manufacturing operations, marketing, management information systems, customer service and distribution functions are housed in a single facility in Roanoke, Virginia. There can be no assurance that a fire, flood, earthquake, terrorist attacks, acts of war, military conflicts, or any other disaster affecting our facility would not disable these functions. Any significant damage to this facility would have a material adverse effect on our business, results of operations and financial condition.

Any future growth could be adversely affected if we are unable to expand our manufacturing facilities on a timely basis.

Our manufacturing facilities are more than adequate for our current level of production. We currently estimate that we are operating at about 60% of our capacity. However, if our sales were to grow significantly or if our product mix changed dramatically, we may need to increase our manufacturing capacity. If we are unable to expand our manufacturing capacity on a timely basis, we may lose sales opportunities and not be able to realize any growth potential. Our ability to expand our manufacturing capacity at our current facilities will depend on a number of

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factors, including timely delivery and installation of equipment, the availability of labor and the hiring and training of new personnel. If we grow significantly, we may also need to construct additional manufacturing facilities which will expose us to construction delays, cost overruns and other risks of new construction.

Provisions of our charter documents and Virginia law may have anti-takeover effects that could prevent a change of control, which may cause our share price to decline.

Each of the Virginia Stock Corporation Act, our Amended and Restated Articles of Incorporation and our Bylaws contain provisions that may discourage acquisition offers, if any, for us. For example, one provision in the Articles of Incorporation authorizes the Board of Directors to issue up to 1,000,000 preferred shares in series, with the terms of each series to be fixed by the Board of Directors. On November 2, 2001, our Board of Directors adopted a Shareholders Rights Plan and declared a dividend of one preferred share purchase right (a "Right") on each outstanding common share. Under the terms of the Shareholders Rights Plan, if a person or group who is deemed an Acquiring Person as defined in the Shareholders Rights Plan acquires 15% (or other applicable percentage, as provided in the Shareholders Rights Plan) or more of our outstanding common shares, each Right will entitle its holder (other than such person or members of such group) to purchase, at the Right's then current exercise price, a number of common shares having a market value of twice such price. In addition, if we are acquired in a merger or other business transaction after a person or group who is deemed an Acquiring Person has acquired such percentage of the outstanding common shares, each Right will entitle its holder (other than such person or members of such group) to purchase, at the Right's then current exercise price, a number of the acquiring company's common shares having a market value of twice such price.

These provisions of the Virginia Stock Corporation Act, our Amended and Restated Articles of Incorporation (including the provisions of our Shareholders Rights Plan), and our Bylaws may have the effect of delaying, deferring or preventing a change in control in us and could limit the price that investors might be willing to pay in the future for common shares.

The volatility of the stock market may have a harmful effect on the price of our common shares and our ability to raise capital.

The market price of Optical Cable Corporation's common shares could be subject to significant fluctuations in response to variations in anticipated or actual operating results and other events or factors such as announcements of technological innovations or new products by us or by our competitors, government regulations and developments in patent or other proprietary rights.

In addition, the market prices for common shares of companies in the optical networking sector have recently experienced significant price fluctuations and declines. Broad market fluctuations, as well as general economic conditions, in the United States or internationally, may adversely affect the market price of our common shares. There can be no assurance that the market price of the common shares will not decline below the price at which shares are initially sold to the public in this offering.

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Terrorism, acts of war, or military conflicts, may adversely affect the markets for our products and adversely affect our sales, financial performance and the price of our common shares.

Any future terrorism, acts of war or military conflicts may adversely affect the markets in which we operate and adversely affect our sales, financial performance and the price of our common shares. These risks have increased given the acts of terrorism against the United States of America, and the subsequent military responses by the United States. Additionally, should the United States proceed militarily against Iraq or North Korea, such acts could disrupt the markets in which we operate and adversely affect us.

We have no current intention to pay cash dividends.

We have not historically paid cash dividends, and do not anticipate paying any cash dividends in the foreseeable future. We currently intend to retain future earnings, if any, to finance operations and the expansion of our business. Any future determination to pay cash dividends will be at the discretion of our Board of Directors and will be dependent upon our financial condition, operating results, capital requirements and other factors that the board deems relevant. In addition, our Loan and Security Agreement, dated April 18, 2002, as amended, restricts our ability to pay cash dividends.

USE OF PROCEEDS

The proceeds from the sale of the common shares pursuant to the exercise of the warrants will be used for general corporate purposes.

PLAN OF DISTRIBUTION

We are registering the common shares issuable upon the exercise of the warrants to be issued to class members pursuant to the Stipulation of Settlement among us, some of our current and former officers and directors and plaintiffs' counsel that was approved by the United States District Court for the Western District of Virginia relating to a consolidated class action lawsuit filed against us and some of our current and former officers and directors by certain of our shareholders. We will issue the common shares directly to the holders of the warrants, upon exercise of the warrants, from time to time after the date of this prospectus. The warrants are exercisable pursuant to the terms of the warrants and a warrant agreement between us and Wachovia Bank, National Association.

LEGAL MATTERS

Certain legal matters regarding the shares offered hereby will be passed upon for Optical Cable by McGuireWoods LLP.

EXPERTS

Optical Cable's financial statements as of October 31, 2002 and 2001, and for each of the years in the three-year period ended October 31, 2002, have been incorporated by reference in this prospectus and in the registration statement of which it forms a part in reliance upon the report of KPMG LLP, independent certified public accountants, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

PART II
Information Not Required in Prospectus

Item 14. Other Expenses of Issuance and Distribution

The expenses of issuance and distribution of the common shares underlying the warrants are to be paid by the registrant. The following itemized list is an estimate of the expenses:

SEC registration fee	\$ 112.24
Legal fees and expenses	\$ 25,000.00
Accounting fees and expenses	\$ 4,000.00
Miscellaneous	\$ 2,600.00
Total	\$ 31,712.24

Item 15. Indemnification of Directors and Officers

Article 10 of the Virginia Stock Corporation Act (the "Act") allows, in general, for indemnification, in certain circumstances, by a corporation of any person threatened with or made a party to any action, suit, or proceeding by reason of the fact that he or she is, or was, a director, officer, employee, or agent of the corporation. Indemnification is also authorized with respect to a criminal action or proceeding where the person had no reasonable cause to believe that his conduct was unlawful. Article 9 of the Act provides limitations on damages payable by officers and directors, except in cases of willful misconduct or knowing violation of criminal law or any federal or state securities law.

Optical Cable's Articles of Incorporation provide for mandatory indemnification of our directors and officers against liability incurred by them in proceedings instituted or threatened against them by third parties, or by or on behalf of Optical Cable itself, relating to the manner in which they performed their duties unless they have been guilty of willful misconduct or a knowing violation of the criminal law.

Item 16. Exhibits

<u>Exhibit No.</u>	<u>Item</u>
4.1	Warrant Agreement dated October 24, 2002, by and between Optical Cable Corporation and Wachovia Bank, National Association
4.2	Form of Warrant Certificate relating to the warrants
5.1*	Opinion of McGuireWoods LLP
23.1	Consent of KPMG LLP
23.2	Consent of McGuireWoods LLP (included in Exhibit 5.1)
24.1	Power of Attorney of Luke J. Huybrechts

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<u>Exhibit No.</u>	<u>Item</u>
24.2	Power of Attorney of Kenneth W. Harber
24.3	Power of Attorney of Tracy G. Smith
24.4	Power of Attorney of Randall H. Frazier
24.5	Power of Attorney of John M. Holland
24.6	Power of Attorney of Craig H. Weber

* To be filed by amendment

Item 17. Undertakings

The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) to include any prospectus required by Section 10(a)(3) of the Securities Act of 1933, as amended (the "Securities Act");

(ii) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement; and

(iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered herein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for purposes of determining any liability under the Securities Act, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered herein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

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Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers, and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of our counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act, and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on our behalf by the undersigned, thereunto duly authorized, in the County of Roanoke, Commonwealth of Virginia, on February 11, 2003.

OPTICAL CABLE CORPORATION

By /s/ NEIL D. WILKIN, JR.

Neil D. Wilkin, Jr.

President and Chief Financial Officer

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ NEIL D. WILKIN, JR.</u> Neil D. Wilkin, Jr.	President, Chief Financial Officer and Director (principal executive officer and principal financial officer)	February 11, 2003
<u>/s/ LUKE J. HUYBRECHTS</u> Luke J. Huybrechts	Senior Vice President of Sales and Director	February 11, 2003
<u>/s/ KENNETH W. HARBER</u> Kenneth W. Harber	Vice President of Administration, Secretary and Director	February 11, 2003
<u>/s/ TRACY G. SMITH</u> Tracy G. Smith	Controller (principal accounting officer)	February 11, 2003
<u>/s/ RANDALL H. FRAZIER</u> Randall H. Frazier	Director	February 11, 2003
<u>/s/ JOHN M. HOLLAND</u> John M. Holland	Director	February 11, 2003
<u>/s/ CRAIG H. WEBER</u> Craig H. Weber	Director	February 11, 2003

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Item</u>
4.1	Warrant Agreement dated October 24, 2002, by and between Optical Cable Corporation and Wachovia Bank, National Association
4.2	Form of Warrant Certificate relating to the warrants
5.1*	Opinion of McGuireWoods LLP
23.1	Consent of KPMG LLP
23.2	Consent of McGuireWoods LLP (included in Exhibit 5.1)
24.1	Power of Attorney of Luke J. Huybrechts
24.2	Power of Attorney of Kenneth W. Harber
24.3	Power of Attorney of Tracy G. Smith
24.4	Power of Attorney of Randall H. Frazier
24.5	Power of Attorney of John M. Holland
24.6	Power of Attorney of Craig H. Weber

* To be filed by amendment

WARRANT AGREEMENT

THIS WARRANT AGREEMENT (this "Agreement") is entered into as of October 24, 2002, by and between OPTICAL CABLE CORPORATION, a Virginia corporation (the "Company"), and WACHOVIA BANK, NATIONAL ASSOCIATION, a national banking association, as Warrant Agent (together with any successors and assigns, the "Warrant Agent").

Recitals

A. WHEREAS, the Company was a defendant in a class-action lawsuit (the "Action") filed in the United States District Court for the Western District of Virginia (the "Court"), entitled In re Optical Cable Corporation Securities Litigation, Civil Action No. 7:01CV00937;

B. WHEREAS, in connection with the Action and as part of the transactions to be consummated pursuant to the Stipulation of Settlement dated the date hereof (the "Stipulation"), the Company has agreed to issue Warrants for the purchase of 250,000 shares of Common Stock, no par value per share, of the Company (each, a "Warrant");

C. WHEREAS, the Stipulation contemplates that the Company will enter into certain agreements, including, without limitation, this Agreement;

D. WHEREAS, the Company desires to issue the Warrants, each of which entitles the holder thereof to purchase one share of its Common Stock (each of said shares of Common Stock deliverable upon exercise of the Warrants, a "Warrant Share"); and

E. WHEREAS, the Company wishes the Warrant Agent to act on behalf of the Company, and the Warrant Agent is willing to so act, in connection with the issuance, division, transfer, exchange and exercise of Warrants.

Agreement

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises and covenants contained herein and for other good and valuable consideration, the receipt and adequacy of which hereby are acknowledged, to implement the terms of the Stipulation, and for the purpose of defining the terms and provisions of the Warrants and the respective rights and obligations thereunder of the Company and the registered owners of the Warrants and any security into which they may be exchanged (the "Holders"), the parties hereto covenant and agree as follows:

SECTION 1**DEFINITIONS**

In this Agreement, the following terms have the meanings specified or referred to in this Section 1 and shall be equally applicable to both the singular and plural forms. Any agreement referred to below shall mean such agreement as amended, supplemented and modified from time to time to the extent permitted by the applicable provisions thereof and by this Agreement.

“Action” has the meaning specified in Recital A hereof.

“Agreement” has the meaning specified in the introductory paragraph of this Warrant Agreement.

“Business Day” means a day other than (a) a Saturday or Sunday, (b) any day on which banking institutions located in the City of New York, New York are required or authorized by law or by local proclamation to close or (c) any day on which the New York Stock Exchange is closed.

“Common Stock” shall mean the shares of the Company’s Common Stock, no par value per share.

“Commercially Reasonable Efforts,” when used with respect to any obligation to be performed or term or provision to be observed hereunder, means such efforts as a prudent Person seeking the benefits of such performance or action would make, use, apply or exercise to preserve, protect or advance its rights or interests; provided that such efforts do not require the Person whose performance or observance is required hereunder to incur a material financial cost or a substantial risk of material liability unless such cost or liability (i) is specifically contained in this Agreement or the Stipulation; (ii) would customarily be incurred in the course of performance or observance of the relevant obligation, term or provision; (iii) is caused by or results from the wrongful act or negligence of the Person whose performance or observance is required hereunder; or (iv) is not excessive or unreasonable in view of the rights or interests to be preserved, protected or advanced. Such efforts may include, without limitation, the expenditure of such funds and retention by such Person of such accountants, attorneys or other experts or advisors as may be necessary or appropriate to effect the relevant action; the undertaking of any special audit or internal investigation that may be necessary or appropriate to effect the relevant action; and the commencement, termination or settlement of any action, suit or proceeding involving the Person whose performance or observance is required hereunder to the extent necessary or appropriate to effect the relevant action.

“Court” has the meaning specified in Recital A of this Agreement.

“Exercise Period” has the meaning specified in Section 4.1 hereof.

“Exercise Price” means an amount equal to \$4.88 per Warrant Share, as adjusted pursuant to Section 8 hereof.

“Holders” has the meaning specified in the preamble to this Agreement.

“Issuance Date” means the thirty-first day after the entry of the order and final judgment in the Action.

“Person” means a natural person, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization, limited liability company, limited liability partnership, government or any agency or political subdivision thereof or any other entity or organization.

“Qualifying Prospectus” means a prospectus contained in a Registration Statement that satisfies all legal requirements.

“Registration Statement” means a registration statement relating to the issuance of the Warrant Shares.

“Reorganization” has the meaning specified in Section 8.4 hereof.

“SEC” means the United States Securities and Exchange Commission, or any successor governmental agency or authority thereto.

“Securities Act” means the Securities Act of 1933, as amended.

“Stipulation” has the meaning specified in Recital B hereof,

“Transfer Agent” has the meaning specified in Section 7 hereof.

“Warrant” has the meaning specified in Recital B hereof.

“Warrant Agent” shall mean Wachovia Bank, National Association and any successor hereunder.

“Warrant Certificate” has the meaning ascribed to such term in Section 2.1 hereof.

“Warrant Register” has the meaning specified in Section 2.2 hereof.

“Warrant Share” has the meaning specified in Recital D hereof.

SECTION 2

FORM OF WARRANT; EXECUTION; REGISTRATION

2.1 Form of Warrant; Execution of Warrants. The Warrants shall be in the form of the certificate (the “Warrant Certificate”) attached as Exhibit A to this Agreement. The Warrant Certificates shall be signed on behalf of the Company by its Chairman of the Board, Chief Executive Officer, President, Chief Financial Officer, or any Senior Vice President. The signature of any such officer on the Warrant Certificates may be manual or by facsimile. Any Warrant Certificate may be signed on behalf of the Company by any person who, at the actual date of the execution of such Warrant Certificate, shall be a proper officer of the Company to sign such Warrant Certificate. Each Warrant Certificate shall be dated the date it is countersigned by the Warrant Agent pursuant to Section 2.3 hereof.

2.2 Registration. The Warrant Certificates shall be numbered and shall be registered on the books of the Company maintained at the principal office of the Warrant Agent initially in Charlotte, North Carolina (or such other place in the continental United States as the Warrant Agent shall from time to time notify the Company and the Holders in writing) (the “Warrant Register”) as they are issued. The Company and the Warrant Agent shall be entitled to treat the registered owner of any Warrant as the owner in fact thereof for all purposes and shall not be

bound to recognize any equitable or other claim to or interest in such Warrant on the part of any other person.

2.3 Countersignature of Warrants. The Warrant Certificates shall be countersigned by the Warrant Agent and shall not be valid for any purpose unless so countersigned. Warrant Certificates may be countersigned, however, by the Warrant Agent and may be delivered by the Warrant Agent notwithstanding that the persons whose manual or facsimile signatures appear thereon as proper officers of the Company shall have ceased to be such officers at the time of such countersignature, issuance or delivery. The Warrant Agent shall, upon written instructions of the Company's Chairman of the Board, Chief Executive Officer, President, Chief Financial Officer, any Senior Vice President, Treasurer, or Secretary, countersign, issue and deliver Warrant Certificates entitling the Holders thereof to purchase not more than an aggregate of 250,000 Warrant Shares (subject to adjustment pursuant to Section 8 hereof) and shall countersign, issue and deliver Warrant Certificates as otherwise provided in this Agreement.

SECTION 3

TRANSFER AND EXCHANGE OF WARRANTS

Subject to the terms hereof, the Warrant Agent shall initially countersign, register in the Warrant Register and deliver Warrants hereunder in accordance with the written instructions of the Company. Subject to the terms hereof and the receipt of such documentation as the Warrant Agent may reasonably require, the Warrant Agent shall thereafter from time to time register the transfer of any outstanding Warrants upon the Warrant Register upon surrender of the Warrant Certificate or Certificates evidencing such Warrants duly endorsed or accompanied (if so required by it) by a written instrument or instruments of transfer in form reasonably satisfactory to the Warrant Agent, duly executed by the registered Holder or Holders thereof or by the duly appointed legal representative thereof or by a duly authorized attorney. Subject to the terms of this Agreement, each Warrant Certificate may be exchanged for another Warrant Certificate or Certificates entitling the Holder thereof to purchase a like aggregate number of Warrant Shares as the Warrant Certificate or Certificates surrendered then entitles such Holder to purchase. Any Holder desiring to exchange a Warrant Certificate or Certificates shall make such request in writing delivered to the Warrant Agent, and shall surrender, duly endorsed or accompanied (if so required by the Warrant Agent) by a written instrument or instruments of transfer in form reasonably satisfactory to the Warrant Agent, the Warrant Certificate or Certificates to be so exchanged. Upon registration of transfer, the Company shall issue and the Warrant Agent shall countersign and deliver by certified mail a new Warrant Certificate or Certificates to the persons entitled thereto.

No service charge shall be made for any exchange or registration of transfer of a Warrant Certificate or of Warrant Certificates, but the Company may require payment of a sum sufficient to cover any stamp tax or other tax or other governmental charge that is imposed in connection with any such exchange or registration of transfer pursuant to Section 5 hereof.

By accepting the initial delivery, transfer or exchange of Warrants, each Holder shall be deemed to agree to the terms of this Agreement as it may be in effect from time to time, including any amendments or supplements duly adopted in accordance with Section 14.3 hereof.

SECTION 4

TERM OF WARRANTS; EXERCISE OF WARRANTS; REGISTRATION OF WARRANT SHARES

4.1 Term of Warrants. Subject to the terms of this Agreement, each Holder shall have the right, which may be exercised, on any Business Day, from and after the Issuance Date until 5:00 p.m., New York City time, on the fifth anniversary of the Issuance Date, unless the Warrants are sooner converted or terminated in accordance with the terms of Section 8 hereof (the "Exercise Period"), to receive from the Company the number of Warrant Shares which the Holder may at the time be entitled to receive upon exercise of such Warrants and payment of the Exercise Price then in effect for such Warrant Shares, and the Warrant Shares issued to a Holder upon exercise of its Warrants shall be duly authorized, validly issued, fully paid, non-assessable and shall not have been issued in violation of or subject to any preemptive rights. Each Warrant not exercised, or converted or terminated in accordance with the terms of Section 8.4 hereof, prior to the expiration of the Exercise Period shall become void, and all rights thereunder and all rights in respect thereof under this Agreement shall cease as of the expiration of the Exercise Period, provided, however, that if the Exercise Period ends during a suspension pursuant to Section 4.3 hereof, the Exercise Period shall be extended for an additional period of time equal to the longer of the period of such suspension during the Exercise Period and twenty (20) Business Days after the date on which the Warrant Agent sends notice to the Holders of the expiration of such suspension period.

4.2 Exercise of Warrants. During the Exercise Period, except as such may be suspended from time to time as set forth in Section 4.3 hereof, each Holder may, subject to this Agreement, exercise, at any time or from time to time, all or a portion of the Warrants evidenced by the Warrant Certificates in the Holder's name; provided, however, that in the event of an exercise of a portion (but not all) of a Holder's Warrants, such exercise shall represent at least one hundred (100) Warrant Shares. Each exercise must be accompanied by (i) the surrender to the Company at the principal office of the Warrant Agent of such Warrant Certificate(s) with the form of notice attached thereto duly filled in and signed, which signature shall be guaranteed by an eligible guarantor institution (a bank, savings and loan association or credit union with membership in an approved signature guarantee medallion program) pursuant to Rule 17Ad-15 of the Securities Exchange Act of 1934, as amended, and (ii) the payment to the Warrant Agent for the account of the Company of the aggregate Exercise Price for the number of Warrant Shares in respect of which such Warrants are exercised. Warrants shall be deemed exercised on the date such Warrant Certificate(s) are surrendered to the Warrant Agent and tender of payment of the aggregate Exercise Price is made. Payment of the aggregate Exercise Price shall be made in lawful money of the United States of America (i) in cash by wire transfer of immediately available funds to the Warrant Agent for the account of the Company, (ii) by certified or official bank check or checks to order of the Company, or (iii) by any combination thereof or by such other form or method of payment acceptable to the Warrant Agent.

Upon the exercise of any Warrants in accordance with this Agreement, the Warrant Agent, on the Company's behalf, will issue and deliver with all reasonable dispatch, to or upon the written order of the Holder and in such name or names as the Holder may designate, a certificate or certificates for the number of full Warrant Shares issuable upon the exercise of such Warrants and shall take such other actions as are necessary to complete the exercise of the Warrants (including, without limitation, payment of any cash with respect to fractional interests required under Section 9 hereof). The certificate or certificates representing such Warrant Shares shall be deemed to have been issued and any person so designated to be named therein shall be deemed to have become a holder of record of such Warrant Shares as of the date the Warrants are exercised hereunder. Each Warrant Share, when issued upon exercise of the Warrants, shall be duly authorized, validly issued, fully paid and non-assessable and will not have been issued in violation of or subject to any preemptive rights.

In the event that less than all of the Warrants evidenced by a Warrant Certificate are exercised, the Holder thereof shall be entitled to receive a new Warrant Certificate evidencing the remaining Warrant(s), and the Warrant Agent is hereby irrevocably authorized by the Company to countersign, issue and deliver the required new Warrant Certificate pursuant to the provisions of this Section 4.2 hereof and of Section 3 hereof. The Company, whenever required by the Warrant Agent, will supply the Warrant Agent with Warrant Certificates duly executed on behalf of the Company for such purpose.

Upon delivery of the Warrant Shares issuable upon exercise in accordance herewith and of any required new Warrant Certificates, the Warrant Agent shall cancel the Warrant Certificates surrendered upon exercise. Such canceled Warrant Certificates shall then be disposed of by the Warrant Agent in a manner permitted by applicable laws and satisfactory to the Company in accordance with its written instructions to the Warrant Agent. The Warrant Agent shall account promptly to the Company with respect to Warrants exercised and concurrently pay to the Company all amounts received by the Warrant Agent upon exercise of such Warrants.

The Warrant Agent shall keep copies of this Agreement and any notices given or received hereunder available for inspection by the Holders during normal business hours at its office. The Company shall at its sole expense supply the Warrant Agent from time to time with such numbers of copies of this Agreement as the Warrant Agent may reasonably request.

4.3 Registration of Warrant Shares; Suspension of Exercise Period. The Company covenants that, at its sole cost, it will at all times during the Exercise Period keep available such number of authorized shares of its Common Stock, free from all preemptive rights with respect thereto, which will be sufficient to permit the exercise of the Warrants for the full number of Warrant Shares. The Company covenants that the Warrant Shares, when issued pursuant to the exercise of the Warrants, will be duly and validly issued, fully paid and non-assessable. The Company covenants that it will use its Commercially Reasonable Efforts to keep a Registration Statement effective under the Securities Act, and will make such number of Qualifying Prospectuses available to Holders as they shall reasonably request; provided, however, that no shares of Common Stock shall be issued, and the right to exercise all Warrants shall be suspended, for all periods during which there is not an effective Registration Statement and/or there is not a Qualifying Prospectus available to Holders. The Company shall promptly notify the

Warrant Agent of any such suspension, and the Warrant Agent shall have no duty, responsibility or liability in respect of any shares of Common Stock issued or delivered prior to its receipt of such notice. The Company shall promptly notify the Warrant Agent of the termination of any such suspension and the Company shall cause the Warrant Agent to notify the Holders of the termination of such suspension within twenty (20) Business Days following notice to the Warrant Agent by the Company.

SECTION 5

PAYMENT OF TAXES

The Company will pay all documentary stamp taxes, if any, attributable to the initial issuance and delivery of the Warrants and the initial issuance and delivery of the Warrant Shares upon the exercise of the Warrants; provided that the Company will not be required to pay any other tax or taxes which may be payable in respect of any transfer of the Warrants or involved in the issuance or delivery of any Warrant Shares, and the Warrant Agent shall not register any such transfer or issue or deliver any Warrant Certificate(s) or Warrant Shares unless or until the persons requesting the registration or issuance shall have delivered to the Warrant Agent any forms or other documents reasonably requested by the Warrant Agent and paid to the Warrant Agent for the account of the Company the amount of such tax, if any, or shall have established to the reasonable satisfaction of the Company or the Warrant Agent that such tax, if any, has been paid.

SECTION 6

MUTILATED OR MISSING WARRANT CERTIFICATES

In the event that any Warrant Certificate shall be mutilated, lost, stolen or destroyed, the Company shall issue, and at the direction of the Company by written order the Warrant Agent shall countersign and deliver in exchange and substitution for and upon cancellation of the mutilated Warrant Certificate or in lieu of and substitution for the Warrant Certificate lost, stolen or destroyed, a new Warrant Certificate of like tenor and representing an equivalent right or interest, but only upon receipt of evidence reasonably satisfactory to the Company and the Warrant Agent of such loss, theft or destruction of such Warrant Certificate and an indemnity or bond, if requested by the Company or the Warrant Agent, also reasonably satisfactory to them. An applicant for such a substitute Warrant Certificate shall also comply with such other reasonable procedures as the Company or the Warrant Agent may reasonably require.

SECTION 7

RESERVATION OF WARRANT SHARES

There have been reserved, and the Company shall at all times during the Exercise Period keep reserved, out of its authorized Common Stock, free of all preemptive rights, a number of shares of Common Stock sufficient to provide for the exercise of the rights of purchase represented by the outstanding Warrants. The transfer agent for the Common Stock and every subsequent or other transfer agent for any shares of the Company's capital stock issuable upon the exercise of the Warrants (each, a "Transfer Agent") will be and are hereby irrevocably

authorized and directed at all times to reserve such number of authorized shares as shall be required for such purpose. The Company will keep a copy of this Agreement on file with each Transfer Agent. The Warrant Agent is hereby irrevocably authorized to requisition from time to time from the Company or a Transfer Agent, as the case may be, the certificate for Warrant Shares required to honor outstanding Warrants upon exercise thereof in accordance with the terms of this Agreement. The Company will supply its Transfer Agent with duly executed stock certificates for such purposes and will itself provide or otherwise make available any cash which may be payable as provided in Section 9 hereof. The Company will furnish to its Transfer Agent a copy of all notices of adjustments and certificates related thereto, transmitted to each Holder pursuant to Section 8 hereof. The Company will give the Warrant Agent prompt notice of any change in any Transfer Agent or any change of address of any Transfer Agent.

Before taking any action which would cause an adjustment pursuant to Section 8 reducing the Exercise Price, the Company will take any and all corporate action which may be necessary in order that the Company may validly and legally issue fully paid and non-assessable Warrant Shares at the Exercise Price as so adjusted.

SECTION 8

ADJUSTMENT OF EXERCISE PRICE AND NUMBER OF WARRANT SHARES; CONVERSION OF WARRANTS

The number and kind of securities purchasable upon the exercise of each Warrant, and the Exercise Price, shall be subject to adjustment from time to time upon the happening of certain events, as hereinafter described.

8.1 Mechanical Adjustments. The number of Warrant Shares purchasable upon the exercise of each Warrant and the Exercise Price shall be subject to adjustment as follows:

(a) Adjustment for Change in Capital Stock. Subject to paragraph (b) below, in case the Company shall (i) pay a dividend on its outstanding shares of Common Stock in shares of Common Stock or make a distribution of shares of Common Stock on its outstanding shares of Common Stock, (ii) subdivide its outstanding shares of Common Stock into a greater number of shares of Common Stock, or (iii) effect a reverse stock split or combine its outstanding shares of Common Stock into a smaller number of shares of Common Stock, then the number of Warrant Shares purchasable upon exercise of each Warrant immediately prior thereto shall be adjusted so that the Holder of each Warrant shall be entitled to receive the number of Warrant Shares such Holder would have owned or have been entitled to receive upon the happening of any of the events described above had such Warrant been exercised in full immediately prior to the record date with respect thereto. An adjustment made pursuant to this paragraph (a) shall become effective immediately after the record date for such event. Such adjustment shall be made successively whenever such an event occurs.

(b) Minimum Adjustment. No adjustment in the number of Warrant Shares purchasable hereunder shall be required unless such adjustment would require an increase or decrease of at least one percent (1%) in the number of Warrant Shares purchasable upon the exercise of each Warrant; provided that any adjustments which by reason of this paragraph (b) are not required to

be made shall be carried forward and taken into account in any subsequent adjustment. All calculations shall be made to the nearest one-thousandth of a Warrant Share and the nearest cent.

(c) Adjustment in Exercise Price. Whenever the number of Warrant Shares purchasable upon the exercise of each Warrant is adjusted as herein provided, the Exercise Price payable upon exercise of each Warrant immediately prior to such adjustment shall be adjusted by multiplying such Exercise Price by a fraction, the numerator of which shall be the number of Warrant Shares purchasable upon the exercise of each Warrant immediately prior to such adjustment and the denominator of which shall be the number of Warrant Shares purchasable immediately thereafter.

8.2 Voluntary Adjustment by the Company. The Company may, at its option and at any time during the term of the Warrants, reduce the then current Exercise Price to any amount deemed appropriate by the Board of Directors of the Company.

8.3 Notice of Adjustment. Whenever the number of Warrant Shares purchasable upon the exercise of each Warrant and/or the Exercise Price of Warrant Shares is adjusted as herein provided, the Company shall cause the Warrant Agent promptly to mail to each Holder, at the sole expense of the Company by first class mail, postage prepaid, notice of such adjustment or adjustments and shall deliver to the Warrant Agent a certificate of an officer of the Company setting forth the number of Warrant Shares purchasable upon the exercise of each Warrant and the Exercise Price of Warrant Shares after such adjustment, setting forth a brief statement of the facts requiring such adjustment and setting forth in reasonable detail the computations by which such adjustment was made. The Warrant Agent shall be entitled to rely on such certificate and shall be under no duty or responsibility with respect to any such certificate, except to exhibit the same, from time to time, to any Holder requesting an inspection thereof during reasonable business hours. The Warrant Agent shall not at any time be under any duty or responsibility to any Holder to determine whether any facts exist which may require any adjustment of the Exercise Price or the number of Warrant Shares or other stock or property purchasable on exercise of Warrants, or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed in making such adjustment.

8.4 Conversion or Termination. In case of (i) any capital reorganization, consolidation or merger of the Company (other than the consolidation or merger of the Company with or into another corporation in which the Company is the continuing corporation and which does not result in any reclassification of the outstanding shares of Common Stock into shares of other stock or other securities, property or cash), or (ii) the sale of all or substantially all of the Company's assets (collectively a "Reorganization"), all outstanding Warrants which have not been exercised (or otherwise expired or been terminated) prior to the closing of any such transaction shall be deemed to have been exercised and converted concurrently with the closing and the Holders shall be entitled to receive the kind and amount of consideration receivable by holders of the Company's Common Stock less the Exercise Price of the Warrants deemed exercised. Additionally, in the event of the sale or conveyance or other transfer of all or substantially all of the assets of the Company as part of a plan of liquidation of the Company, all rights to exercise any Warrant shall terminate thirty (30) days after the Company gives written notice to each Holder that such sale or conveyance or other transfer has been consummated.

8.5 Statement on Warrants. Irrespective of any adjustments in the Exercise Price or the number or kind of shares purchasable upon the exercise of the Warrants, Warrants theretofore or thereafter issued may continue to express the same Exercise Price and number and kind of Warrant Shares as are stated in the Warrants initially issuable pursuant to this Agreement.

SECTION 9

FRACTIONAL INTERESTS

If more than one Warrant shall be exercised at the same time by the same Holder, the number of full Warrant Shares which shall be issuable upon such exercise shall be computed on the basis of the aggregate number of Warrants so exercised. If any fraction (rounded to the nearest one-thousandth) of a Warrant Share would, except for the provisions of this Section 9, be issuable on the exercise of any Warrant, the Company, at its option, shall (i) issue a fractional Warrant Share or (ii) in lieu of issuing a fractional Warrant Share, (A) pay an amount in cash equal to the closing price for one share of Common Stock on the exercise date of the Warrants multiplied by such fraction, (B) issue scrip of the Company, or (C) round the fraction up and issue a full Warrant Share if the fraction is equal to or greater than one-half of a full Warrant Share, or round the fraction down and eliminate the fraction without the issuance of any additional Warrant Shares, scrip, cash or other property if the fraction is less than one-half of a full Warrant Share. If the Company elects to issue scrip, the terms of such scrip shall be set forth in a supplement to this Agreement.

SECTION 10

NO RIGHTS AS STOCKHOLDERS, NOTICES TO HOLDERS

Nothing contained in this Agreement or in any of the Warrants shall be construed as conferring upon the Holders or their transferees any rights as stockholders of the Company, including, without limitation, the right to vote or to receive dividends or to consent or to receive notice as stockholders in respect of any meeting of stockholders for the election of directors of the Company or any other matter whatsoever, or any dissent or appraisal rights.

In case

(a) the Company shall authorize the issuance to all holders of shares of Common Stock of rights, options or warrants to subscribe for or purchase shares of Common Stock or of any other subscription rights or warrants; or

(b) the Company shall authorize the distribution to all holders of shares of Common Stock of securities or assets (other than cash dividends); or

(c) of any consolidation or merger to which the Company is a party and for which approval of any stockholders of the Company is required, or of the conveyance or transfer of a substantial portion of the assets of the Company for which approval of any stockholders of the Company is required, or of any reclassification or change of Common Stock issuable upon exercise of the Warrants (other than a change in par value, or from par value to no par value, or

from no par value to par value, or as a result of a subdivision or combination), or a tender offer or exchange offer for shares of Common Stock; or

(d) of the voluntary or involuntary dissolution, liquidation or winding up of the Company;

then, in each case, the Company shall cause notice of such proposed action to be mailed to the Warrant Agent and shall cause to be given to each Holder at its address appearing on the Warrant Register, at least twenty (20) days prior to the applicable record date hereinafter specified, or promptly in the case of events for which there is no record date, by first class mail, postage prepaid, a written notice stating (i) the date as of which the Holders of record of shares of Common Stock entitled to receive any such rights, options, warrants or distribution are to be determined, (ii) the initial expiration date set forth in any tender offer or exchange offer for shares of Common Stock, or (iii) the date on which any such reclassification, consolidation, merger, conveyance, transfer, dissolution, liquidation or winding up is expected to become effective or consummated, as well as the date as of which it is expected that Holders of record of shares of Common Stock shall be entitled to exchange such shares for securities or other property, if any, deliverable upon such reclassification, consolidation, merger, conveyance, transfer, dissolution, liquidation, or winding up. The failure to give the notice required by this Section 10 or any defect therein shall not affect the legality or validity of any distribution, right, option, warrant, reclassification, consolidation, merger, conveyance, transfer, dissolution, liquidation, winding up or action, or the vote upon any of the foregoing.

SECTION 11

MERGER OR CONSOLIDATION OR CHANGE OF NAME OF WARRANT AGENT

Any corporation into which the Warrant Agent may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Warrant Agent shall be a party, or any corporation succeeding to the corporation trust business of the Warrant Agent, shall be the successor to the Warrant Agent hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, provided that such corporation would be eligible for appointment as a successor Warrant Agent under the provisions of Section 13 hereof. In case at the time such successor to the Warrant Agent shall succeed to the agency created by this Agreement, any of the Warrant Certificates shall have been countersigned but not delivered, any such successor to the Warrant Agent may adopt the countersignature of the original Warrant Agent and deliver such Warrant Certificates so countersigned; and in case at that time any of the Warrant Certificates shall not have been countersigned, any successor to the Warrant Agent may countersign such Warrant Certificates either in the name of the predecessor Warrant Agent or in the name of the successor Warrant Agent; and in all such cases such Warrant Certificates shall be fully valid and effective as provided therein and in this Agreement.

In case at any time the name of the Warrant Agent shall be changed and at such time any of the Warrant Certificates shall have been countersigned but not delivered, the Warrant Agent may adopt the countersignatures under its prior name and deliver such Warrant Certificates so

countersigned; and in case at that time any of the Warrant Certificates shall not have been countersigned, the Warrant Agent may countersign such Warrant Certificates either in its prior name or in its changed name; and in all such cases such Warrant Certificates shall be fully valid and effective as provided therein and in this Agreement.

SECTION 12

APPOINTMENT OF WARRANT AGENT

The Company hereby appoints the Warrant Agent to act as agent for the Company hereunder and in accordance with the terms and conditions hereof, and the Warrant Agent hereby accepts such appointment.

The Warrant Agent undertakes the duties and obligations imposed by this Agreement upon the following terms and conditions, by all of which the Company and the Holders, by their acceptance of the Warrant Certificates, shall be bound:

12.1 Correctness of Statements. The statements contained herein and in the Warrant Certificates shall be taken as statements of the Company, and the Warrant Agent assumes no responsibility for the correctness of any of the same except such as those that describe the Warrant Agent or actions taken by it. The Warrant Agent assumes no responsibility with respect to the distribution of the Warrant Certificates or Warrants except as herein otherwise provided.

12.2 Breach of Covenants. The Warrant Agent shall not be responsible for any failure of the Company to comply with any of the covenants contained in this Agreement or in the Warrants to be complied with by the Company.

12.3 Performance of Duties. The Warrant Agent may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or through its attorneys or agents and shall not be responsible for the misconduct or negligence of any attorney or agent (which shall not include an employee of the Warrant Agent) appointed with due care.

12.4 Reliance on Counsel. The Warrant Agent may consult at any time with legal counsel satisfactory to it (who may be counsel for the Company), and the Warrant Agent shall incur no liability or responsibility to the Company or to any Holder in respect of any action taken, suffered or omitted by it hereunder in good faith and in accordance with the opinion or the advice of such counsel.

12.5 Proof of Action Taken. Whenever in the performance of its duties under this Agreement the Warrant Agent shall deem it necessary or desirable that any fact or matter be proved or established by the Company prior to taking or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed conclusively to be proved and established by a certificate signed by the Chairman of the Board, the President, the Chief Financial Officer, a Vice President (however designated), the Treasurer or the Secretary of the Company and delivered to the Warrant Agent; and such certificate shall be full authorization to the Warrant Agent for any action taken or suffered in good faith by it under the provisions of this Agreement in reliance upon such certificate.

12.6 Compensation. The Company agrees to pay the Warrant Agent reasonable compensation for all services rendered by the Warrant Agent in the performance of its duties under this Agreement, to reimburse the Warrant Agent for all reasonable expenses, and governmental charges and other charges of any kind and nature incurred by the Warrant Agent in the performance of its duties under this Agreement (including but not limited to legal fees and expenses), and to indemnify the Warrant Agent and save it harmless against any and all liabilities, including judgments, costs and counsel fees, for anything done or omitted by the Warrant Agent or any of its agents in the performance of its duties under this Agreement, except as a result of the Warrant Agent's gross negligence or willful misconduct as determined in a final judgment of a court of competent jurisdiction and authority. The Company's obligations under this Section 12.6 and any claim arising hereunder shall survive the resignation or removal of the Warrant Agent and the termination or discharge of the Company's obligations under this Agreement.

12.7 Legal Proceeding. The Warrant Agent shall be under no obligation to institute any action, suit or legal proceeding or to take any other action likely to involve expense unless the Company or any one or more Holders shall furnish the Warrant Agent with reasonable security and indemnity for any costs and expenses which may be incurred or any liabilities which may arise, but this provision shall not affect the power of the Warrant Agent to take such action as the Warrant Agent may consider proper, whether with or without any such security or indemnity. All rights of action of any Holder under this Agreement or under any of the Warrants may be enforced by the Warrant Agent without the possession of any of the Warrant Certificates or the production thereof at any trial or other proceeding relative thereto, and any such action, suit or proceeding instituted by the Warrant Agent shall be brought in its name as Warrant Agent, and any recovery of judgment shall be for the ratable benefit of the Holders, as their respective rights or interests may appear.

12.8 Other Transactions in Securities of the Company. The Warrant Agent and any stockholder, director, officer or employee of the Warrant Agent may buy, sell or deal in any of the Warrants or any other securities of the Company or become pecuniarily interested in any transaction in which the Company may be interested or contract with or lend money to the Company or otherwise act as fully and freely as though it were not Warrant Agent under this Agreement. Nothing herein shall preclude the Warrant Agent from acting in any other capacity for the Company or for any other Person.

12.9 Liability of Warrant Agent. The Warrant Agent shall act hereunder solely as agent, and its duties shall be determined solely by the provisions hereof. The Warrant Agent shall not be liable for anything which it may do or refrain from doing in connection with this Agreement except for its own gross negligence or bad faith.

12.10 Reliance on Documents. The Warrant Agent will not incur any liability or responsibility to the Company or to any Holder for any action taken in reliance on any notice, resolution, waiver, consent, order, certificate or other paper, document or instrument reasonably believed by it to be genuine and to have been signed, sent or presented by the proper party or parties.

12.11 Validity of Agreement. The Warrant Agent shall not be under any responsibility in respect of the validity of this Agreement or the execution and delivery hereof (except the due execution hereof by the Warrant Agent) or in respect of the validity or execution of any Warrant Certificate (except its countersignature thereto) or any Warrant; nor shall the Warrant Agent by any act hereunder be deemed to make any representation or warranty as to the authorization or reservation of any Warrant Shares (or other securities) to be issued pursuant to this Agreement or any Warrant, or as to whether any Warrant Shares (or other securities) will, when issued, be validly issued, fully paid and non-assessable, or as to the Exercise Price or the number or amount of Warrant Shares or other securities or any assets or other property issuable upon exercise of any Warrant.

12.12 Instructions from Company. The Warrant Agent is hereby authorized and directed to accept instructions with respect to the performance of its duties hereunder from the Chairman of the Board, the President, the Chief Financial Officer, any Senior Vice President, the Treasurer or the Secretary of the Company, and to apply to such officers for advice or instructions in connection with its duties, and shall not be liable for any action taken or suffered to be taken by it in good faith in accordance with instructions of any such officer or officers, provided such instructions are not in contravention of this Agreement.

SECTION 13

CHANGE OF WARRANT AGENT

The Warrant Agent may resign and be discharged from its duties under this Agreement by giving to the Company sixty (60) days' notice in writing. The Company may remove the Warrant Agent by giving like notice to the Warrant Agent and the Holders, such notice to specify the date when removal shall become effective. If the Warrant Agent shall resign or be removed or shall otherwise become incapable of acting, the Company shall appoint a successor to the Warrant Agent. If the Company shall fail to make such appointment within a period of thirty (30) days after such removal or notification in writing of such resignation or incapacity by the resigning or incapacitated Warrant Agent, then any Holder may apply to any court of competent jurisdiction for the appointment of a successor to the Warrant Agent. Any successor Warrant Agent, whether appointed by the Company or such a court, shall be a bank or trust company, in good standing, incorporated under the laws of the United States of America or any state thereof and having at the time of its appointment as Warrant Agent a combined capital and surplus of at least \$100,000,000. After appointment and acceptance of such appointment in writing, the successor Warrant Agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Warrant Agent without further act or deed; but the former Warrant Agent shall deliver and transfer to the successor Warrant Agent any property at the time held by it hereunder, and shall execute and deliver any further assurance, conveyance, act or deed necessary for the purpose. Failure to file any notice provided for in this Section 13, however, or any defect therein, shall not affect the legality or validity of the resignation or removal of the Warrant Agent or the appointment of the successor Warrant Agent, as the case may be. In the event of such resignation or removal, the successor Warrant Agent shall mail, by first class mail, postage prepaid, to each Holder, written notice of such removal or resignation and the name and address of such successor Warrant Agent.

SECTION 14

MISCELLANEOUS

14.1 Notices. Any notice pursuant to this Agreement by the Company or by any Holder to the Warrant Agent, or by the Warrant Agent or by any Holder to the Company, shall be in writing and shall be delivered in person or by facsimile transmission, or mailed first class, postage prepaid, (a) to the Company, at its offices at 5290 Concourse Drive, Roanoke, VA 24019, Attention: President, or (b) to the Warrant Agent, at its offices at 1525 West W.T. Harris Boulevard, Equity Services, 3C3, Charlotte, NC 28262, Attention: Rhonda D. Whitley. Each party hereto may from time to time change the address to which notices to it are to be delivered or mailed hereunder by notice to the other party.

Any notice mailed pursuant to this Agreement by the Company or the Warrant Agent to the Holders shall be in writing and shall be mailed first class, postage prepaid, or otherwise delivered, to such Holders at their respective addresses in the Warrant Register. The initial address of each Holder shall be as provided by the Company to the Warrant Agent. Any Holder may change its address by notice to the Company and the Warrant Agent given in accordance with this Section 14.1.

14.2 Cancellation of Warrants. In the event the Company shall purchase or otherwise acquire Warrants, the same shall thereupon be delivered to the Warrant Agent and be cancelled by it and retired. The Warrant Agent shall cancel any Warrant Certificate surrendered for exchange, substitution, transfer or exercise in whole or in part.

14.3 Supplements and Amendments. The Company and the Warrant Agent may from time to time supplement or amend this Agreement, the Warrants and the Warrant Certificates without approval of any Holder, in order to cure any ambiguity or to correct or supplement any provision contained herein which may be defective or inconsistent with any other provision herein, or to make any other provisions in regard to matters or questions arising hereunder which the Company and the Warrant Agent may deem necessary or desirable (including, without limitation, the addition of provisions addressing the terms of any scrip issued by the Company in lieu of fractional shares) and which shall not be inconsistent with the provisions of the Warrants and this Agreement. Any other supplement or amendment to this Agreement may be made with the approval of the holders of a majority of the then outstanding Warrants.

14.4 Successors. All the covenants and provisions of this Agreement by or for the benefit of the Company or the Warrant Agent shall bind and inure to the benefit of the Company or the Warrant Agent and their respective successors hereunder.

14.5 Applicable Law. This Agreement, the Warrants, the rights and obligations of the parties hereto and any claims or disputes relating thereto shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia (excluding the choice of law rules thereof).

14.6 Benefits of this Agreement. Nothing in this Agreement shall be construed to give any person or corporation other than the Company, the Warrant Agent and the Holders any legal or equitable right, remedy or claim under this Agreement; and this Agreement shall be for the

sole and exclusive benefit of the Company, the Warrant Agent, their respective assigns and the Holders.

14.7 Execution in Counterparts. This Agreement may be executed in multiple counterparts, which, when taken together, shall constitute an original.

14.8 Captions. The captions of the sections and subsections of this Agreement have been inserted for convenience only and shall have no substantive effect.

IN WITNESS WHEREOF, each of the undersigned have duly caused this Agreement to be executed on their behalf as of the day and year first above written.

OPTICAL CABLE CORPORATION

By: /s/ Neil D. Wilkin, Jr.

Name: Neil D. Wilkin, Jr.
Title: President

WACHOVIA BANK, NATIONAL
ASSOCIATION

By: /s/ Rhonda D. Whitley

Name: Rhonda D. Whitley
Title: Trust Officer

THIS WARRANT IS GOVERNED BY AND SUBJECT TO THE TERMS AND CONDITIONS CONTAINED IN THE WARRANT AGREEMENT (AS DEFINED HEREIN). A COPY OF THE WARRANT AGREEMENT MAY BE OBTAINED UPON REQUEST FROM OPTICAL CABLE CORPORATION OR THE WARRANT AGENT (AS DEFINED HEREIN).

No. W _____

_____ Warrants

WARRANT CERTIFICATE FOR PURCHASE COMMON STOCK
OF
OPTICAL CABLE CORPORATION

VOID AFTER 5:00 P.M.
NEW YORK CITY TIME, ON
OCTOBER 24, 2007

_____, or his, her or its registered assigns (the "holder"), is the owner of the number of Warrants set forth above issued by Optical Cable Corporation, a Virginia corporation (the "Company"), each of which is issued pursuant to, and is subject to all of the terms, provisions, and conditions of, that certain Warrant Agreement dated as of October 24, 2002 (the "Warrant Agreement"), between the Company and Wachovia Bank, National Association, a national banking association, as Warrant Agent (together with any successors and assigns, the "Warrant Agent"), in furtherance of that certain Stipulation of Settlement in settlement of a class-action lawsuit (the "Action") pending in the United States District Court for the Western District of Virginia, entitled In re Optical Cable Corporation Securities Litigation, Civil Action No. 7:01CV00937 (the "Stipulation").

All capitalized terms not defined herein shall have the meanings ascribed to them in the Warrant Agreement.

1. Purchase Shares. Subject to the terms and conditions hereinafter set forth, for each Warrant set forth above the holder is entitled to purchase from the Company one share of the Company's Common Stock described in the Warrant Agreement (each share of Common Stock issuable upon exercise of a Warrant is referred to as a "Warrant Share"), subject to adjustment, conversion and termination pursuant to Section 8 of the Warrant Agreement.

2. Exercise Price. The purchase price per Warrant Share, with respect to the Warrants represented by this Warrant Certificate, shall be \$4.88 per share, as adjusted from time to time pursuant to Section 8 of the Warrant Agreement (the "Exercise Price"). All payments required to be made hereunder shall be made in lawful money of the United States of America.

3. Exercise Period. The Warrants may be exercisable, in whole or in part at any time or from time to time, on any Business Day, until 5:00 p.m., New York City time, on October 24, 2007, unless the Warrants are sooner converted or terminated as provided in Section 8.4 of the

Warrant Agreement (the "Exercise Period"). Any Warrants not exercised during the Exercise Period shall become void, and all rights hereunder and all rights in respect hereof and under the Warrant Agreement shall cease at the end of the Exercise Period. In the event of a partial exercise of Warrants, the exercise shall represent at least one hundred (100) Warrant Shares.

4. Method of Exercise. Each exercise of Warrants represented by this Warrant Certificate shall be effected by: (a) the surrender of this Warrant Certificate, together with a duly executed copy of the form of Notice of Election attached hereto, to the Warrant Agent at its principal offices; and (b) the payment to the Warrant Agent, in the manner provided in the Warrant Agreement, of an amount equal to the aggregate Exercise Price for the number of Warrant Shares being purchased.

5. Certificates for Warrant Shares. Upon the exercise of Warrants, one or more certificates for the number of Warrant Shares so purchased shall be issued as soon as practicable thereafter (with appropriate restrictive legends, if applicable). If the Warrants represented hereby are not exercised in full, the Warrant Agent, on behalf of the Company, will issue to an exercising holder a new Warrant Certificate representing the Warrants not exercised.

6. Fractional Shares. If any fraction of a Warrant Share is issuable upon the exercise of Warrants represented hereby, the Company, at its option, shall (i) issue a fractional Warrant Share, or (ii) in lieu of issuing a fractional Warrant Share, (A) pay cash therefore on the basis of the value of the fractional share, (B) issue scrip of the Company, or (C) issue an additional Warrant Share if the fraction is equal to or greater than one-half of a full Warrant Share, or eliminate the fraction without the payment of an additional Warrant Share, scrip, cash or other property if the fraction is less than one-half of a full Warrant Share, all as provided in the Warrant Agreement.

7. No Shareholder Rights. Prior to exercise of Warrants, the holder shall not be entitled to any rights of a shareholder with respect to the Warrant Shares, including (without limitation) the right to vote such Warrant Shares, receive dividends or other distributions thereon, exercise preemptive rights or be notified of shareholder meetings, and such holder shall not be entitled to any notice or other communication concerning the business or affairs of the Company. Nothing in this Section 7 shall limit the right of the holder to be provided the notices required under the Warrant Agreement.

8. Transfers. Subject to compliance with applicable federal and state securities laws, the Warrants represented by this Warrant Certificate may be transferred in whole or in part by the holder (subject to the terms of the Warrant Agreement). Any transfer shall be recorded on the books of the Company upon (i) the surrender of this Warrant Certificate, properly endorsed, or as otherwise provided in Warrant Agreement, to the Warrant Agent at its principal offices, and (ii) the payment to the Company of all transfer taxes and other governmental charges imposed on such transfer. In the event of a partial transfer, the Company shall issue to the holders one or more appropriate new Warrant Certificates.

9. Successors and Assigns. The terms and provisions of this Warrant Certificate and the Warrant Agreement shall inure to the benefit of, and be binding upon, the Company and the holders hereof and their respective successors and assigns.

10. Amendments and Waivers. Any term of this Warrant Certificate may be amended and the observance of any term may be waived (either generally or in a particular instance and either retroactively or prospectively), with the written consent of the Company and the holder. Any waiver or amendment effected in accordance with this Section shall be binding upon each holder of any Warrant Shares purchased under this Warrant Certificate at the time outstanding (including securities into which such Warrant Shares have been converted), each future holder of all such Warrant Shares, and the Company.

11. Captions. The section and subsection headings of this Warrant Certificate are inserted for convenience only and shall not constitute a part of this Warrant Certificate in construing or interpreting any provision hereof.

12. Governing Law. This Warrant Certificate shall be governed by the laws of the Commonwealth of Virginia (excluding the choice of law rules thereof).

13. Conflicts; Inspection of Warrant Agreement. In the event of a conflict between the provisions of the Warrant Agreement and this Warrant Certificate, the provisions of the Warrant Agreement shall govern. The Warrant Agreement is available for inspection by any holder at the principal office of the Warrant Agent.

IN WITNESS WHEREOF, the Company and the Warrant Agent have caused this Warrant to be executed by officers thereunto duly authorized.

Dated: _____

OPTICAL CABLE CORPORATION

Name: Neil D. Wilkin
Title: President

Countersigned:

WACHOVIA BANK NATIONAL ASSOCIATION,
as Warrant Agent

Name: _____
Title: _____

**OPTICAL CABLE CORPORATION
WARRANT NOTICE OF EXERCISE**

To: WACHOVIA BANK, NATIONAL ASSOCIATION
1525 West W.T. Harris Boulevard, Equity Services, 3C3
Charlotte, NC 28262

(a) The undersigned hereby elects to purchase _____ Warrant Shares representing shares of common stock, no par value per share, of Optical Cable Corporation (the "Company"), pursuant to the terms of the attached Warrant Certificate and the Warrant Agreement referenced therein. To the extent the undersigned is not exercising this Warrant in full, please reissue and return to the undersigned a new Warrant Certificate to purchase the remaining number of Warrant Shares for which the Warrant Certificate is exercisable.

(b) Payment of the Exercise Price per accompanies this notice in the form of [mark as applicable] cash in the amount of _____ by means of _____ wire transfer of immediately available funds to the Warrant Agent for the account of the Company, or _____ certified or official bank check or checks to the order of the Company.

By: _____ [NAME]
Taxpayer I.D. No. or Soc. Sec. No: _____
Address: _____

Date: _____
Name in which shares should be registered:

Taxpayer I.D. No. or Soc. Sec. No. _____
Address: _____

Signatures must be guaranteed by an eligible guarantor institution (a bank, stockbroker, savings and loan association or credit union with membership in an approved signature guarantee medallion program) pursuant to Rule 17Ad-15 of the Securities Exchange Act of 1934. Signature Guaranteed by:

**OPTICAL CABLE CORPORATION
WARRANT TRANSFER**

To: WACHOVIA BANK, NATIONAL ASSOCIATION
1525 West W.T. Harris Boulevard, Equity Services, 3C3
Charlotte, NC 28262

For value received, the undersigned hereby sells, assigns and transfers unto _____ the right to purchase _____ (_____) Warrant Shares representing shares of common stock, no par value per share, of Optical Cable Corporation (the "Company") pursuant to the attached Warrant Certificate and does hereby irrevocably constitute and appoint _____ attorney to transfer the Warrant, or such portion as is transferred hereby, on the books of the Company with full power of substitution in the premises. The undersigned requests said attorney to issue to the transferee a Warrant Certificate evidencing such transfer and to issue to the undersigned a new Warrant Certificate evidencing the right to purchase Warrant Shares for the balance not so transferred, if any.

Signature: _____

By: _____ [NAME]

Taxpayer I.D. No. or Soc. Sec. No: _____

Address: _____

Date: _____

Name in which new Warrant(s) should be registered:

Right to Purchase No. of Shares of Common Stock: _____

Name: _____

Taxpayer I.D. No. or Soc. Sec. No: _____

Address: _____

The balance of the attached Warrant Certificate not so transferred shall be returned to the transferor in the form of a new Warrant Certificate reflecting such reduced amount.

Signatures must be guaranteed by an eligible guarantor institution (a bank, stockbroker, savings and loan association or credit union with membership in an approved signature guarantee medallion program) pursuant to Rule 17Ad-15 of the Securities Exchange Act of 1934.

Signature Guaranteed by:

THIS WARRANT IS GOVERNED BY AND SUBJECT TO THE TERMS AND CONDITIONS CONTAINED IN THE WARRANT AGREEMENT (AS DEFINED HEREIN). A COPY OF THE WARRANT AGREEMENT MAY BE OBTAINED UPON REQUEST FROM OPTICAL CABLE CORPORATION OR THE WARRANT AGENT (AS DEFINED HEREIN).

No. W _____

_____ Warrants

WARRANT CERTIFICATE FOR PURCHASE COMMON STOCK
OF
OPTICAL CABLE CORPORATION

VOID AFTER 5:00 P.M.
NEW YORK CITY TIME, ON
OCTOBER 24, 2007

_____, or his, her or its registered assigns (the "holder"), is the owner of the number of Warrants set forth above issued by Optical Cable Corporation, a Virginia corporation (the "Company"), each of which is issued pursuant to, and is subject to all of the terms, provisions, and conditions of, that certain Warrant Agreement dated as of October 24, 2002 (the "Warrant Agreement"), between the Company and Wachovia Bank, National Association, a national banking association, as Warrant Agent (together with any successors and assigns, the "Warrant Agent"), in furtherance of that certain Stipulation of Settlement in settlement of a class-action lawsuit (the "Action") pending in the United States District Court for the Western District of Virginia, entitled In re Optical Cable Corporation Securities Litigation, Civil Action No. 7:01CV00937 (the "Stipulation").

All capitalized terms not defined herein shall have the meanings ascribed to them in the Warrant Agreement.

1. Purchase Shares. Subject to the terms and conditions hereinafter set forth, for each Warrant set forth above the holder is entitled to purchase from the Company one share of the Company's Common Stock described in the Warrant Agreement (each share of Common Stock issuable upon exercise of a Warrant is referred to as a "Warrant Share"), subject to adjustment, conversion and termination pursuant to Section 8 of the Warrant Agreement.

2. Exercise Price. The purchase price per Warrant Share, with respect to the Warrants represented by this Warrant Certificate, shall be \$4.88 per share, as adjusted from time to time pursuant to Section 8 of the Warrant Agreement (the "Exercise Price"). All payments required to be made hereunder shall be made in lawful money of the United States of America.

3. Exercise Period. The Warrants may be exercisable, in whole or in part at any time or from time to time, on any Business Day, until 5:00 p.m., New York City time, on October 24, 2007, unless the Warrants are sooner converted or terminated as provided in Section 8.4 of the

Warrant Agreement (the "Exercise Period"). Any Warrants not exercised during the Exercise Period shall become void, and all rights hereunder and all rights in respect hereof and under the Warrant Agreement shall cease at the end of the Exercise Period. In the event of a partial exercise of Warrants, the exercise shall represent at least one hundred (100) Warrant Shares.

4. Method of Exercise. Each exercise of Warrants represented by this Warrant Certificate shall be effected by: (a) the surrender of this Warrant Certificate, together with a duly executed copy of the form of Notice of Election attached hereto, to the Warrant Agent at its principal offices; and (b) the payment to the Warrant Agent, in the manner provided in the Warrant Agreement, of an amount equal to the aggregate Exercise Price for the number of Warrant Shares being purchased.

5. Certificates for Warrant Shares. Upon the exercise of Warrants, one or more certificates for the number of Warrant Shares so purchased shall be issued as soon as practicable thereafter (with appropriate restrictive legends, if applicable). If the Warrants represented hereby are not exercised in full, the Warrant Agent, on behalf of the Company, will issue to an exercising holder a new Warrant Certificate representing the Warrants not exercised.

6. Fractional Shares. If any fraction of a Warrant Share is issuable upon the exercise of Warrants represented hereby, the Company, at its option, shall (i) issue a fractional Warrant Share, or (ii) in lieu of issuing a fractional Warrant Share, (A) pay cash therefore on the basis of the value of the fractional share, (B) issue scrip of the Company, or (C) issue an additional Warrant Share if the fraction is equal to or greater than one-half of a full Warrant Share, or eliminate the fraction without the payment of an additional Warrant Share, scrip, cash or other property if the fraction is less than one-half of a full Warrant Share, all as provided in the Warrant Agreement.

7. No Shareholder Rights. Prior to exercise of Warrants, the holder shall not be entitled to any rights of a shareholder with respect to the Warrant Shares, including (without limitation) the right to vote such Warrant Shares, receive dividends or other distributions thereon, exercise preemptive rights or be notified of shareholder meetings, and such holder shall not be entitled to any notice or other communication concerning the business or affairs of the Company. Nothing in this Section 7 shall limit the right of the holder to be provided the notices required under the Warrant Agreement.

8. Transfers. Subject to compliance with applicable federal and state securities laws, the Warrants represented by this Warrant Certificate may be transferred in whole or in part by the holder (subject to the terms of the Warrant Agreement). Any transfer shall be recorded on the books of the Company upon (i) the surrender of this Warrant Certificate, properly endorsed, or as otherwise provided in Warrant Agreement, to the Warrant Agent at its principal offices, and (ii) the payment to the Company of all transfer taxes and other governmental charges imposed on such transfer. In the event of a partial transfer, the Company shall issue to the holders one or more appropriate new Warrant Certificates.

9. Successors and Assigns. The terms and provisions of this Warrant Certificate and the Warrant Agreement shall inure to the benefit of, and be binding upon, the Company and the holders hereof and their respective successors and assigns.

10. Amendments and Waivers. Any term of this Warrant Certificate may be amended and the observance of any term may be waived (either generally or in a particular instance and either retroactively or prospectively), with the written consent of the Company and the holder. Any waiver or amendment effected in accordance with this Section shall be binding upon each holder of any Warrant Shares purchased under this Warrant Certificate at the time outstanding (including securities into which such Warrant Shares have been converted), each future holder of all such Warrant Shares, and the Company.

11. Captions. The section and subsection headings of this Warrant Certificate are inserted for convenience only and shall not constitute a part of this Warrant Certificate in construing or interpreting any provision hereof.

12. Governing Law. This Warrant Certificate shall be governed by the laws of the Commonwealth of Virginia (excluding the choice of law rules thereof).

13. Conflicts; Inspection of Warrant Agreement. In the event of a conflict between the provisions of the Warrant Agreement and this Warrant Certificate, the provisions of the Warrant Agreement shall govern. The Warrant Agreement is available for inspection by any holder at the principal office of the Warrant Agent.

IN WITNESS WHEREOF, the Company and the Warrant Agent have caused this Warrant to be executed by officers thereunto duly authorized.

Dated: _____

OPTICAL CABLE CORPORATION

Name: Neil D. Wilkin
Title: President

Countersigned:

WACHOVIA BANK NATIONAL ASSOCIATION,
as Warrant Agent

Name: _____
Title: _____

**OPTICAL CABLE CORPORATION
WARRANT NOTICE OF EXERCISE**

To: WACHOVIA BANK, NATIONAL ASSOCIATION
1525 West W.T. Harris Boulevard, Equity Services, 3C3
Charlotte, NC 28262

(a) The undersigned hereby elects to purchase _____ Warrant Shares representing shares of common stock, no par value per share, of Optical Cable Corporation (the "Company"), pursuant to the terms of the attached Warrant Certificate and the Warrant Agreement referenced therein. To the extent the undersigned is not exercising this Warrant in full, please reissue and return to the undersigned a new Warrant Certificate to purchase the remaining number of Warrant Shares for which the Warrant Certificate is exercisable.

(b) Payment of the Exercise Price per accompanies this notice in the form of [mark as applicable] cash in the amount of _____ by means of _____ wire transfer of immediately available funds to the Warrant Agent for the account of the Company, or _____ certified or official bank check or checks to the order of the Company.

By: _____ [NAME]
Taxpayer I.D. No. or Soc. Sec. No: _____
Address: _____

Date: _____
Name in which shares should be registered:

Taxpayer I.D. No. or Soc. Sec. No. _____
Address: _____

Signatures must be guaranteed by an eligible guarantor institution (a bank, stockbroker, savings and loan association or credit union with membership in an approved signature guarantee medallion program) pursuant to Rule 17Ad-15 of the Securities Exchange Act of 1934. Signature Guaranteed by:

**OPTICAL CABLE CORPORATION
WARRANT TRANSFER**

To: WACHOVIA BANK, NATIONAL ASSOCIATION
1525 West W.T. Harris Boulevard, Equity Services, 3C3
Charlotte, NC 28262

For value received, the undersigned hereby sells, assigns and transfers unto _____ the right to purchase _____ (_____) Warrant Shares representing shares of common stock, no par value per share, of Optical Cable Corporation (the "Company") pursuant to the attached Warrant Certificate and does hereby irrevocably constitute and appoint _____ attorney to transfer the Warrant, or such portion as is transferred hereby, on the books of the Company with full power of substitution in the premises. The undersigned requests said attorney to issue to the transferee a Warrant Certificate evidencing such transfer and to issue to the undersigned a new Warrant Certificate evidencing the right to purchase Warrant Shares for the balance not so transferred, if any.

Signature: _____

By: _____ [NAME]

Taxpayer I.D. No. or Soc. Sec. No: _____

Address: _____

Date: _____

Name in which new Warrant(s) should be registered:

Right to Purchase No. of Shares of Common Stock: _____

Name: _____

Taxpayer I.D. No. or Soc. Sec. No: _____

Address: _____

The balance of the attached Warrant Certificate not so transferred shall be returned to the transferor in the form of a new Warrant Certificate reflecting such reduced amount.

Signatures must be guaranteed by an eligible guarantor institution (a bank, stockbroker, savings and loan association or credit union with membership in an approved signature guarantee medallion program) pursuant to Rule 17Ad-15 of the Securities Exchange Act of 1934.

Signature Guaranteed by:

Independent Auditors' Consent

The Board of Directors
Optical Cable Corporation:

We consent to the use of our report incorporated by reference herein and to the reference to our firm under the heading "Experts" in the prospectus.

/s/ KPMG LLP

Roanoke, Virginia
February 11, 2003

POWER OF ATTORNEY

The undersigned director of Optical Cable Corporation, a Virginia corporation (the "Corporation"), hereby constitutes and appoints Neil D. Wilkin, Jr. and Tracy G. Smith as the undersigned's true and lawful attorneys-in-fact, each with full power and authority to act in the name of the undersigned and on behalf of the undersigned in connection with our offering and registration of common shares in the aggregate offering amount of up to \$1.5 million dollars. Without limiting the scope of the foregoing, each attorney-in-fact may file all amendments to the registration statement making such changes in the registration statement as the registrant deems appropriate, and execute and file in the name of the undersigned any registration statement registering additional securities under Rule 462(b)(3) of the Securities Act of 1933, and generally to do all things in their name in their capacities as officers and directors to enable the registrant to comply with the provisions of the Securities Act of 1933 and all requirements of the Securities and Exchange Commission.

Effective Date: February 11, 2003

/s/ LUKE J. HUYBRECHTS
Luke J. Huybrechts

POWER OF ATTORNEY

The undersigned director of Optical Cable Corporation, a Virginia corporation (the "Corporation"), hereby constitutes and appoints Neil D. Wilkin, Jr. and Tracy G. Smith as the undersigned's true and lawful attorneys-in-fact, each with full power and authority to act in the name of the undersigned and on behalf of the undersigned in connection with our offering and registration of common shares in the aggregate offering amount of up to \$1.5 million dollars. Without limiting the scope of the foregoing, each attorney-in-fact may file all amendments to the registration statement making such changes in the registration statement as the registrant deems appropriate, and execute and file in the name of the undersigned any registration statement registering additional securities under Rule 462(b)(3) of the Securities Act of 1933, and generally to do all things in their name in their capacities as officers and directors to enable the registrant to comply with the provisions of the Securities Act of 1933 and all requirements of the Securities and Exchange Commission.

Effective Date: February 11, 2003

/s/ KENNETH W. HARBER
Kenneth W. Harber

POWER OF ATTORNEY

The undersigned officer of Optical Cable Corporation, a Virginia corporation (the "Corporation"), hereby constitutes and appoints Neil D. Wilkin, Jr. as the undersigned's true and lawful attorneys-in-fact with full power and authority to act in the name of the undersigned and on behalf of the undersigned in connection with our offering and registration of common shares in the aggregate offering amount of up to \$1.5 million dollars. Without limiting the scope of the foregoing, the attorney-in-fact may file all amendments to the registration statement making such changes in the registration statement as the registrant deems appropriate, and execute and file in the name of the undersigned any registration statement registering additional securities under Rule 462(b)(3) of the Securities Act of 1933, and generally to do all things in their name in their capacities as officers and directors to enable the registrant to comply with the provisions of the Securities Act of 1933 and all requirements of the Securities and Exchange Commission.

Effective Date: February 11, 2003

/s/ TRACY G. SMITH
Tracy G. Smith

POWER OF ATTORNEY

The undersigned director of Optical Cable Corporation, a Virginia corporation (the "Corporation"), hereby constitutes and appoints Neil D. Wilkin, Jr. and Tracy G. Smith as the undersigned's true and lawful attorneys-in-fact, each with full power and authority to act in the name of the undersigned and on behalf of the undersigned in connection with our offering and registration of common shares in the aggregate offering amount of up to \$1.5 million dollars. Without limiting the scope of the foregoing, each attorney-in-fact may file all amendments to the registration statement making such changes in the registration statement as the registrant deems appropriate, and execute and file in the name of the undersigned any registration statement registering additional securities under Rule 462(b)(3) of the Securities Act of 1933, and generally to do all things in their name in their capacities as officers and directors to enable the registrant to comply with the provisions of the Securities Act of 1933 and all requirements of the Securities and Exchange Commission.

Effective Date: February 11, 2003

/s/ RANDALL H. FRAZIER
Randall H. Frazier

POWER OF ATTORNEY

The undersigned director of Optical Cable Corporation, a Virginia corporation (the "Corporation"), hereby constitutes and appoints Neil D. Wilkin, Jr. and Tracy G. Smith as the undersigned's true and lawful attorneys-in-fact, each with full power and authority to act in the name of the undersigned and on behalf of the undersigned in connection with our offering and registration of common shares in the aggregate offering amount of up to \$1.5 million dollars. Without limiting the scope of the foregoing, each attorney-in-fact may file all amendments to the registration statement making such changes in the registration statement as the registrant deems appropriate, and execute and file in the name of the undersigned any registration statement registering additional securities under Rule 462(b)(3) of the Securities Act of 1933, and generally to do all things in their name in their capacities as officers and directors to enable the registrant to comply with the provisions of the Securities Act of 1933 and all requirements of the Securities and Exchange Commission.

Effective Date: February 11, 2003

/s/ JOHN M. HOLLAND
John M. Holland

POWER OF ATTORNEY

The undersigned director of Optical Cable Corporation, a Virginia corporation (the "Corporation"), hereby constitutes and appoints Neil D. Wilkin, Jr. and Tracy G. Smith as the undersigned's true and lawful attorneys-in-fact, each with full power and authority to act in the name of the undersigned and on behalf of the undersigned in connection with our offering and registration of common shares in the aggregate offering amount of up to \$1.5 million dollars. Without limiting the scope of the foregoing, each attorney-in-fact may file all amendments to the registration statement making such changes in the registration statement as the registrant deems appropriate, and execute and file in the name of the undersigned any registration statement registering additional securities under Rule 462(b)(3) of the Securities Act of 1933, and generally to do all things in their name in their capacities as officers and directors to enable the registrant to comply with the provisions of the Securities Act of 1933 and all requirements of the Securities and Exchange Commission.

Effective Date: February 11, 2003

/s/ CRAIG H. WEBER
Craig H. Weber