

**SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**FORM S-8
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

AMETEK, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

14-1682544
(IRS Employer
Identification Number)

**37 North Valley Road,
P.O. Box 1764
Paoli, Pennsylvania 19301
(610) 647-2121**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

2002 STOCK INCENTIVE PLAN OF AMETEK, Inc.

(Full title of the plan)

JOHN J. MOLINELLI
Executive Vice President-Chief Financial Officer
AMETEK, Inc.
37 North Valley Road,
P.O. Box 1764
Paoli, Pennsylvania 19301
(610) 647-2121

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copy to:
David Kaufman, Esq.
Stroock & Stroock & Lavan LLP
180 Maiden Lane
New York, NY 10038
(212) 806-5617

CALCULATION OF REGISTRATION FEE

Title of Shares to be Registered	Amounts to be Registered	Proposed Maximum Aggregate Price Per Unit(1)	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, \$.01 par value.	2,000,000 shares (2)	\$31.91 per share	\$63,820,000	\$5,871.44

- (1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) and (h) of the Securities Act of 1933, as amended, based on the average of the high and low prices of the common stock on the New York Stock Exchange on August 6, 2002.
- (2) Pursuant to Rule 416(a) under the Securities Act of 1933, this Registration Statement also covers an indeterminate number of shares of Common Stock which may be issued by reason of stock splits, stock dividends or similar transactions.

PART I

INFORMATION REQUIRED IN THE SECTION 10(A) PROSPECTUS

The documents containing the information specified in Part I of Form S-8 will be sent or given to employees as specified by Rule 428(b)(1) promulgated under the Securities Act of 1933, as amended (the "Securities Act"). Such documents need not be filed with the Securities and Exchange Commission ("Commission") either as part of this Registration Statement or as prospectuses or prospectus supplements pursuant to Rule 424 under the Securities Act. These documents and the documents incorporated by reference in the Registration Statement pursuant to Item 3 of Part II of this Form S-8, taken together, constitute a prospectus that meets the requirements of Section 10(a) of the Securities Act. See Rule 428(a)(1) under the Securities Act.

This Registration Statement covers 2,000,000 shares of AMETEK, Inc. (the "Registrant") Common Stock, \$.01 par value per share, to be issued pursuant to the Registrant's 2002 Stock Incentive Plan.

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference.

The following documents filed by the Registrant with the Commission are incorporated herein by reference:

1. The Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2001;
2. The Registrant's Current Report on Form 8-K dated February 1, 2002;
3. The Registrant's Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2002 and June 30, 2002;
4. The description of the Registrant's Common Stock, \$.01 par value, which is contained in the Registrant's Registration Statement on Form 8-A, declared effective July 23, 1997, filed with the Commission to register such Common Stock pursuant to Section 12(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"); and
5. The description of the Registrant's 2002 Stock Incentive Plan, which is contained in the Registrant's Definitive Proxy Statement on Schedule 14A, filed on April 3, 2002.

All documents subsequently filed by the Registrant pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act, prior to the filing of a post-effective amendment which indicates that all securities offered hereby have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference herein and to be a part hereof from the date of filing of such documents.

Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Registration Statement to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Registration Statement.

Item 4. Description of Securities.

Not Applicable.

Item 5. Interests of Named Experts and Counsel.

Lewis G. Cole, a partner of Stroock & Stroock & Lavan LLP, is a Director of the Company.

Item 6. Indemnification of Directors and Officers.

Section 145 of the General Corporation Law of the State of Delaware (the "DGCL") provides, in part, that directors and officers of Delaware corporations are entitled, under certain circumstances, to be indemnified against all expenses and liabilities (including attorneys' fees) incurred by them as a result of suits brought against them in their capacity as a director or officer, if they acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe their conduct was unlawful; provided, that no indemnification may be made against expenses in respect of any claim, issue or matter as to which they shall have been adjudged to be liable to the corporation, unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, they are fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper. Any such indemnification may be made by the corporation only as authorized in each specific case upon a determination by the stockholders or disinterested directors that indemnification is proper because the indemnitee has met the applicable standard of conduct.

Our Certificate of Incorporation and By-Laws provide that we shall indemnify, to the full extent authorized or permitted by law (as now or hereafter in effect), any person involved, or threatened to be involved, including, without limitation as a party or witness, in any action, suit or proceeding (whether civil or criminal or otherwise) by reason of the fact that such person (including the heirs, executors, administrators or estate of such person), is or was a director, officer, employee or agent of ours or by reason of

the fact that such director or officer, at our request is or was serving at any other corporation, partnership, joint venture, trust or other entity, in any capacity. Our Certificate of Incorporation and By-Laws further provide that we may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of another partnership, joint venture, trust or other entity against any liability asserted against him and incurred by him in such capacity, or arising out of his status as such, to the fullest extent permitted under applicable law as then in effect. In addition, our Certificate of Incorporation and By-Laws provide that we may create a trust fund, grant a security interest and/or use other means (including, without limitation, letters of credit), as well as enter into contracts providing for indemnification to the full extent authorized or permitted by law to ensure the payment of such amounts as may become necessary to effect indemnification as provided therein, or elsewhere.

Moreover, our Certificate of Incorporation further provides that our directors shall not be personally liable to us or our stockholders for or with respect to any acts or omissions in the performance of his or her duties as a director, except a director shall be liable to the extent provided by applicable law (i) for any breach of such director's duty of loyalty to us or our stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) for liability under Section 174 of the DGCL (involving certain unlawful dividends or stock repurchases) or (iv) for any transaction from which such director derived an improper personal benefit. This provision does not limit or eliminate our rights or the rights of any stockholder to seek non-monetary relief such as an injunction or rescission in the event of a breach of a director's duty of care.

We maintain officers' and directors' liability insurance with a policy limit of \$50,000,000 insuring our officers and directors against certain liabilities and expenses incurred by them in their capacities as such, and insuring us under certain circumstances, in the event that indemnification payments are made by us to such officers and directors.

Pursuant to Indemnity Agreements between us and our directors and officers, we have agreed to indemnify such directors and officers to the fullest extent permitted by Delaware law, as the same may be amended from time to time.

Item 7. Exemption From Registration Claimed.

Not applicable.

Item 8. Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
5.1*	Opinion of Stroock & Stroock & Lavan LLP.
10.81*	2002 Stock Incentive Plan of the Registrant.
23.1*	Consent of Stroock & Stroock & Lavan LLP (included in Exhibit 5.1 hereto).
23.2*	Consent of Ernst & Young LLP, Independent Auditors.
24*	Power of Attorney (included as part of the signature page of this Registration Statement).

* Filed herewith

Item 9. 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;
 - 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;
 - 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;

provided, however, that paragraphs (1)(i) and (1)(ii) do not apply if the Registration Statement is on Form S-3 or Form S-8 and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the Registrant pursuant to Section 13 or 15(d) of the Exchange Act of 1934 that are incorporated by reference in the Registration Statement.

2. That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new Registration Statement relating to the securities offered therein, 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. *If the Registrant is a foreign private issuer, to file a post-effective amendment to the Registration Statement to include any financial statements required by Rule 3-19 of Regulation S-X at the start of any delayed offering or throughout a continuous offering.*

The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or 15(d) of the Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act of 1934) that is incorporated by reference in the Registration Statement shall be deemed to be a new Registration Statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 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 Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 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 its 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 of 1933 and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Paoli, State of Pennsylvania, on August 12, 2002.

AMETEK, Inc.
(Registrant)

By: /s/ Frank S. Hermance
Frank S. Hermance
Chairman of the Board, Chief Executive Officer and
Director

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Donna F. Winkist, as his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments to this Registration Statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact, agent, or their substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, 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/ Frank S. Hermance</u> Frank S. Hermance	Chairman of the Board, Chief Executive Officer and Director (Principal Executive Officer)	August 12, 2002
<u>/s/ John J. Molinelli</u> John J. Molinelli	Executive Vice President - Chief Financial Officer (Principal Financial Officer)	August 12, 2002
<u>/s/ Robert R. Mandos, Jr.</u>	Vice President & Comptroller,	August 12, 2002

Robert R. Mandos, Jr. (Principal Accounting Officer)

/s/ Lewis G. Cole Director August 12, 2002
Lewis G. Cole

/s/ Helmut N. Friedlaender Director August 12, 2002
Helmut N. Friedlaender

/s/ Sheldon S. Gordon Director August 12, 2002
Sheldon S. Gordon

/s/ Charles D. Klein Director August 12, 2002
Charles D. Klein

/s/ James R. Malone Director August 12, 2002
James R. Malone

/s/ David P. Steinmann Director August 12, 2002
David P. Steinmann

/s/ Elizabeth R. Varet Director August 12, 2002
Elizabeth R. Varet

August 12, 2002

AMETEK, Inc.
37 North Valley Road,
P.O. Box 1764
Paoli, Pennsylvania 19301

Re: AMETEK, Inc.
Registration Statement on Form S-8

Ladies and Gentlemen:

We have acted as counsel to you (the "Corporation") in connection with the preparation and filing of the above-captioned Registration Statement on Form S-8 (the "Registration Statement") under the Securities Act of 1933, as amended (the "Securities Act"), relating to the proposed issuance of up to 2,000,000 shares (the "Original Shares") of the Corporation's common stock, par value \$.01 per share (the "Common Stock"), which may be issued pursuant to the 2002 Stock Incentive Plan of the Corporation (the "Plan") and such additional shares (the "Additional Shares") as may be issued pursuant to the antidilution provisions of the Plan. The Original Shares and the Additional Shares are hereinafter referred to together as the "Shares." This opinion letter is Exhibit 5.1 to the Registration Statement.

We have examined copies of the Amended and Restated Certificate of Incorporation and the Bylaws of the Corporation, as amended to date, the Registration Statement (including the exhibits thereto), the Plan, the minutes of various meetings of the Board of Directors of the Corporation, and the originals, copies or certified copies of all such records of the Corporation, and all such agreements, certificates of public officials, certificates of officers and representatives of the Corporation or others, and such other documents, papers, statutes and authorities as we have deemed necessary to form the basis of the opinion hereinafter expressed. In such examination, we have assumed the genuineness of signatures and the conformity to original documents of the documents supplied to us as copies. As to various questions of fact material to such opinion, we have relied upon statements and certificates of officers of the Corporation and others.

Attorneys involved in the preparation of this opinion are admitted to practice law in the State of New York and we do not express any opinion herein concerning any law other than the laws of the State of New York, the federal laws of the United States of America and the General Corporation Law of the State of Delaware.

Based upon and subject to the foregoing, we are of the opinion that all of the Shares have been duly authorized and, when issued under the circumstances contemplated in the Registration Statement and the Plan, will be validly issued, fully paid and nonassessable.

We hereby consent to your filing a copy of this opinion as an exhibit to the Registration Statement. In giving such consent, we do not admit hereby that we come within the category of persons who consent is required under Section 7 of the Securities Act or the rules and regulations of the Securities and Exchange Commission thereunder.

We call to your attention that Lewis G. Cole, a member of the firm, is a director of the Company; and that Mr. Cole and various members and associates of the firm are beneficial owners of shares of the Company's Common Stock.

Very truly yours,

/s/ STROOCK & STROOCK & LAVAN LLP

2002 STOCK INCENTIVE PLAN

OF AMETEK, INC.

1. **Purpose.** The purpose of this Stock Incentive Plan is to advance the interests of the Corporation by encouraging and enabling the acquisition of a larger personal proprietary interest in the Corporation by key employees and Directors of the Corporation and its Affiliates upon whose judgment and keen interest the Corporation is largely dependent for the successful conduct of its operations, and by providing such key employees and Directors with incentives to maximize the success of the Corporation. It is anticipated that the acquisition of such proprietary interest in the Corporation and such incentives will strengthen the desire of such key employees and Directors to remain with the Corporation as well as that such incentives and the opportunity to acquire such a proprietary interest will enable the Corporation and its Affiliates to attract desirable personnel and Directors.
2. **Definitions.** When used in this Plan, unless the context otherwise requires:
 - (a) "Act" shall mean the Securities Exchange Act of 1934, as amended.
 - (b) "Affiliate" shall mean a person or entity that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Corporation. For this purpose, 50% general voting power of an incorporated entity, or 50% profits interest of an unincorporated entity, as the case may be, shall constitute control.
 - (c) "Board of Directors" shall mean the Board of Directors of the Corporation as constituted at any time.
 - (d) "Chairman of the Board" shall mean the person who at the time shall be Chairman of the Board of Directors of the Corporation.
 - (e) "Code" shall mean the Internal Revenue Code of 1986, as amended.
 - (f) "Committee" shall mean the Stock Option Committee, a sub-committee of the Compensation Committee of the Board of the Corporation and hereinafter described in Section 4.
 - (g) "Corporation" shall mean AMETEK, Inc.
 - (h) "Fair Market Value" shall mean the average of the high and low sales prices on the stock exchange or market on which the Shares are primarily traded on the date as of which such value is being determined or, if there shall be no sale on that date, then on the last previous day on which a sale was reported.
 - (i) "Incentive Award" shall mean an Option, Phantom Stock Award, Restricted Stock Award, or Rights granted pursuant to the Plan.
 - (j) "Incentive Stock Option" shall mean an option as defined under Section 422 of the Code and regulations promulgated thereunder.
 - (k) "Mature Shares" shall mean shares that a holder has beneficially owned for at least six months.
 - (l) "Non-Employee Director" shall mean a Director of the Corporation and/or its Affiliates who is not also an employee of the Corporation and/or its Affiliates.
 - (m) "Non-Qualified Stock Option" shall mean an Option other than an Incentive Stock Option.
 - (n) "Options" shall mean the stock options granted pursuant to the Plan, including Non-Qualified Stock Options and Incentive Stock Options, which shall entitle the holder thereof to purchase Shares from the Corporation for such price and at such times as the Committee shall determine at the time the Options are granted, subject to the terms and conditions of the Plan.
 - (o) "Phantom Stock Award" shall mean an Award granted in accordance with the provisions of Section 11 hereof, which shall entitle the holder thereof to receive from the Corporation cash or Shares, or a combination of cash and Shares, based upon the Fair Market Value of Shares at the time of the expiration of the vesting period under such Award, subject to the terms and conditions of the Plan.
 - (p) "Phantom Stock Units" shall mean the units of Phantom stock credited to the holder of a Phantom Stock Award, each of which units shall be a fictitious share of common stock which is the equivalent of one Share.
 - (q) "Plan" shall mean the 2002 Stock Incentive Plan of AMETEK, Inc.
 - (r) "Restricted Shares" shall mean the Shares issued as a result of a Restricted Stock Award.
 - (s) "Restricted Stock Award" shall mean a grant of Shares or of the right to purchase Shares pursuant to Section 10 hereof. Such Shares, when and if issued, shall be subject to such transfer restrictions and risk of forfeiture as the

Committee shall determine at the time the Award is granted, or as specified in subsection (a)(iv) of Section 10 hereof, until such specific conditions are met. Such conditions may be based on continuing employment (or services) or achievement of pre-established performance objectives, or both.

- (t) "Rights" shall mean stock appreciation rights granted pursuant to the Plan, which shall entitle the holder thereof to receive from the Corporation cash or Shares or a combination of cash and Shares based upon the excess of the Fair Market Value of Shares at the time of exercise over the purchase price of the Shares subject to the related Option, or the Fair Market Value of Shares on the date the Rights were granted, as the case may be, subject to the terms and conditions of the Plan.
- (u) "Share" shall mean a share of common stock of the Corporation.

3. Shares Subject to the Plan. Subject to the provisions of Section 16 hereof, the aggregate number of Shares that may be subject to Options, Phantom Stock Awards (other than any Phantom Stock Awards which are payable only in cash), Restricted Stock Awards and Rights shall not exceed 2,000,000, which Shares may be either Treasury Shares or authorized but unissued Shares. A maximum of 15% of the aggregate number of Shares, or 300,000 Shares, may be awarded to any single individual during the duration of the Plan. A maximum of 10% of the aggregate number of Shares, or 200,000 Shares, may be awarded as Restricted Shares, Rights, Phantom Stock Awards and Phantom Stock Units. A maximum of 3% of the aggregate number of shares or 60,000 Shares, may be awarded, in the aggregate, as Restricted Stock Awards with vesting periods of less than 3 years. A maximum of 10% of the aggregate number of Shares, or 200,000 Shares, may be awarded to Non-Employee Directors during the duration of the Plan. In the event the Corporation adopts a stock purchase plan for the benefit of its employees, the shares of common stock awarded under that plan shall further reduce the aggregate number of Shares available under this Plan. If the Shares that would be issued or transferred pursuant to any such Incentive Award are not issued or transferred and cease to be issuable or transferable for any reason (including the extent to which payment pursuant to a Phantom Stock Award is made in cash), or if Restricted Shares issued pursuant to a Restricted Stock Award are forfeited, the number of Shares subject to such Incentive Award will no longer be charged against the limitation provided for herein (even if the holders had voting or dividend rights with regard to the Shares) and may again be made subject to Incentive Awards; provided, however, that Shares as to which an Option has been surrendered in connection with the exercise of a related Right shall not again be available for the grant of any further Incentive Awards. Notwithstanding the preceding, with respect to any Option or Right granted to any person who is a "covered employee" as defined in Section 162(m) of the Code that is canceled (other than with respect to the exercise of a related Right or Option) or as to which the exercise price or base value is reduced, the number of shares subject to such Option or Right shall continue to be counted, in accordance with said Section 162(m) and regulations promulgated thereunder, against the maximum number of Shares which may be the subject of Incentive Awards granted to such person.

4. Committee. The Plan shall be administered by a Committee which shall consist of at least two Directors, all of whom shall be "outside directors" as defined under Section 162(m) of the Code and related Treasury regulations and all of whom shall be "Non-Employee Directors" as defined under Rule 16b-3 under the Act. The members of the Committee shall be selected by the Board of Directors. If a member of the Committee, for any reason, shall cease to serve, the vacancy may be filled by the Board of Directors. Any member of the Committee may be removed at any time, with or without cause, by the Board of Directors. The Chairman of the Committee shall be designated by the Board of Directors, and meetings of the Committee may be called at any time by its Chairman or upon written request of a majority of the members of the Committee, provided that meetings may be held at any time without notice if all the members are present or if at any time before or after the meeting those not present waive notice of the meeting in writing. Subject to the preceding provision, at least one day's notice of the meeting shall be given in person or by telephone, letter, fax, telegram or cablegram. At all meetings of the Committee, a majority of the members of the Committee at the time of such meeting shall be necessary to constitute a quorum. Any act of a majority of the quorum present at a meeting shall be the act of the Committee.

5. Participants. All key employees of the Corporation and its Affiliates shall be eligible to receive Incentive Awards under the Plan. The persons to whom Incentive Awards are to be offered under the Plan and the number of Shares with respect to which Incentive Awards are to be granted to each such person shall be determined by the Committee in its sole discretion subject, however, to the terms and conditions of the Plan. Each Non-Employee Director whose initial election to the Board of Directors is on or after the date of the adoption of the Plan by the Board of Directors (other than any Non-Employee Director who is a partner of the law firm then retained as general outside counsel to the Corporation) shall be granted, as of the date such Director becomes a member of the Board of Directors, a Non-Qualified Stock Option to purchase 20,000 Shares. The Non-Qualified Stock Option shall expire seven (7) years from the date of grant and shall be exercisable by such Non-Employee Director after the first anniversary of the date of grant, during each of the four succeeding twelve (12)-month periods only to the extent of 5,000 Shares. In addition, the Committee in its sole discretion may grant to any Non-Employee Director (other than any Non-Employee Director who is a partner of the law firm then retained as general outside counsel to the Corporation) a Non-Qualified Stock Option to purchase a number of Shares determined by the Committee. Subject to Section 13 hereof, optioned Shares which may have been but were not purchased during any one twelve (12)-month period may be purchased during any one or more succeeding twelve (12)-month periods until expiration. Payment for the stock purchased pursuant to the exercise of the Option shall be made in full at the time of the exercise of the Option by cash, by check payable to the order of the Corporation, or by the delivery to the Corporation of Mature Shares which shall be valued at their fair market value on the date of exercise of the Option.

6. Grant of Options. The number of Options to be granted to any eligible person shall be determined by the Committee in its sole discretion. At the time an Option is granted, the Committee may, in its sole discretion, designate whether such Option (a) is to be considered as an Incentive Stock Option, or (b) is to be treated as a Non-Qualified Stock Option for purposes of this Plan and the

Code, or (c) is in part to be considered as an Incentive Stock Option and in part to be treated as a Non-Qualified Stock Option for purposes of this Plan and the Code; provided, however, that no Incentive Stock Option may be granted after March 12, 2012.

Notwithstanding any other provision of this Plan to the contrary, to the extent that the aggregate Fair Market Value (determined as of the date an Option is granted) of the Shares with respect to which Options which are designated as Incentive Stock Options (and any other incentive stock options granted to an employee after 1986 under any other incentive stock option plan maintained by the Corporation or any Affiliate that meets the requirements of Section 422 of the Code) first become exercisable in any calendar year exceeds \$100,000, such Options shall be treated as Non-Qualified Stock Options. This paragraph shall be applied by taking options into account in the order in which they are granted.

Nothing herein contained shall be construed to prohibit the granting of Options at different times to the same person.

The form of Option shall be as determined from time to time by the Committee. A certificate of Option signed by the Chairman of the Board or the President or a Vice President, attested by the Treasurer or an Assistant Treasurer, or Corporate Secretary or an Assistant Secretary of the Corporation having the seal of the Corporation affixed thereto, shall be delivered to each person to whom an Option is granted.

7. Grant of Rights. The Committee shall have the authority in its discretion to grant to any eligible person Rights which may be granted separately or in connection with an Option (either at the time of grant or at any time during the term of the Option; provided, however, that in the case of an Incentive Stock Option, Rights may be granted only at the time the Incentive Stock Option is granted). Rights granted in connection with an Option, shall be granted with respect to the same number of Shares then covered by the Option, subject to adjustment pursuant to the provisions of Section 16 hereof, and may be exercised as determined by the Committee in its discretion at the time of the grant of the Rights, either in conjunction with, or as an alternative to, the exercise of the related Option.

Conjunctive Rights granted in connection with an Option shall entitle the holder thereof to receive payment from the Corporation, determined as hereinafter provided, only if and to the extent that the related Option is exercisable and is exercised. Upon any exercise of an Option in respect of which conjunctive Rights shall have been granted, the holder of the Rights shall be entitled to receive payment of an amount equal to the product obtained by multiplying (i) the excess of the Fair Market Value of one Share on the date of such exercise over the purchase price per Share payable upon exercise of the related Option (the "Price Spread"), or a portion of the Price Spread determined by the Committee at the time of grant, by (ii) the number of Shares in respect of which the related Option shall have then been so exercised; provided, however, that the amount of the payment which a holder of such Rights shall be entitled to receive upon any exercise of the Rights shall in no event exceed two times the aggregate purchase price payable by such holder for the Shares in respect of which the related Option shall have then been so exercised.

Alternative Rights granted in connection with an Option shall entitle the holder thereof to receive payment from the Corporation, determined as hereinafter provided, only if and to the extent that the related Option is exercisable, by surrendering the Option with respect to the number of Shares as to which such Rights are then exercised. Such Option, to the extent surrendered, shall be deemed exercised. Upon any exercise of alternative Rights, the holder thereof shall be entitled to receive payment of an amount equal to the product obtained by multiplying (i) the Price Spread, or a portion of the Price Spread determined by the Committee at the time of grant, by (ii) the number of Shares in respect of which the Rights shall have then been so exercised. Alternative Rights granted in connection with an Incentive Stock Option shall not be exercisable unless the Price Spread exceeds zero. Rights granted without relationship to an Option shall be exercisable as determined by the Committee, but in no event after seven (7) years from the date of grant. Such Rights shall entitle the holder, upon the exercise thereof, to receive payment from the Corporation of an amount equal to the product obtained by multiplying (i) the excess of the Fair Market Value of one Share on the date of such exercise over the Fair Market Value of one Share on the date the Rights were granted (the "Value Spread"), or a portion of the Value Spread determined by the Committee at the time of grant, by (ii) the number of Shares in respect of which the Rights shall have then been so exercised.

Notwithstanding anything contained herein, the Committee may, in its sole discretion, limit the amount payable upon the exercise of Rights. Any such limitation shall be determined as of the date of grant and noted on the certificate evidencing the grant of the Rights.

Payment of the amount determined hereunder upon the exercise of conjunctive Rights or Rights granted without relationship to an Option shall be made solely in cash. At the holder's election, payment of the amount determined hereunder upon the exercise of alternative Rights granted in connection with an Option may be made solely in cash, or solely in Shares valued at their Fair Market Value on the date of exercise of the Rights, or in a combination of cash and Shares. Notwithstanding any other provision of the Plan or of any Option or Rights, upon the exercise of such alternative Rights, the Committee shall have the power at its discretion to disapprove the holder's election as to the form (i.e., cash or Shares, or part in cash and part in Shares) in which payment of the Rights will be made and to substitute therefor payment as it determines. If the Committee does not disapprove an election made upon the exercise of Rights within 60 days after such exercise or election then the Committee shall be deemed to have approved such election. No fractional Shares shall be issued by the Corporation, and settlement therefor shall be made in cash.

The form of Rights shall be as determined from time to time by the Committee. A Certificate of Rights signed by the Chairman of the Board or the President or a Vice President, attested by the Treasurer or an Assistant Treasurer, or Corporate Secretary or an Assistant Secretary of the Corporation and having the seal of the Corporation affixed thereto, shall be delivered to each person to whom Rights are granted.

8. Duration of Option and Related Rights. The duration of any Option granted under the Plan shall be fixed by the Committee in its sole discretion; provided, however, that no Option shall remain in effect for a period of more than seven (7) years from the date on which it is granted; and provided further that an Incentive Stock Option that is granted to an employee of the Corporation or an Affiliate who, at the time of grant, owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Corporation or any Affiliate, may not have a term that exceeds five years from the date of grant. The duration of any Rights granted in connection with any Option granted under the Plan shall be coterminous with the duration of the related Option.

9. Exercise of Options and Rights. Except as otherwise provided hereunder, an Option and Rights, after the grant thereof, shall be exercisable by the holder at such rate and times as may be fixed by the Committee, in its sole discretion, at the time the Option and Rights are granted. Notwithstanding the foregoing, all or any part of any remaining unexercised Options or Rights granted to any person may be exercised (a) subject to the provisions of Section 13 hereof, upon the holder's retirement at or after age 65, provided the holder has completed at least two full years of employment with the Corporation or any Affiliate, (b) subject to the provisions of Section 13 hereof, upon the death of the holder, (c) upon the holder's termination of employment in connection with a Change in Control, or (d) upon the occurrence of such special circumstance or event as in the opinion of the Committee merits special consideration.

As used in the Plan, a "Change in Control" shall be deemed to have occurred if

(i) Any person (except the Corporation, any subsidiary of the Corporation, any employee benefit plan of the Corporation or of any subsidiary of the Corporation, or any person or entity organized, appointed or established by the Corporation for or pursuant to the terms of any such employee benefit plan), together with all affiliates and associates of such person, becomes the beneficial owner, directly or indirectly, in the aggregate of 20% or more of the value of the outstanding equity or combined voting power of the then outstanding voting securities of the Corporation entitled to vote generally in the election of directors; or

(ii) The shareholders of the Corporation approve a merger or consolidation the result of which is that the shareholders of the Corporation do not own or control at least 50% or more of the value of the outstanding equity or combined voting power of the then outstanding voting securities of the Corporation entitled to vote generally in the election of directors, or there occurs a sale or other disposition of all or substantially all of the Corporation's assets or a plan of liquidation is approved; provided, however, that an internal reorganization shall not constitute a "Change in Control" if the shareholders of the Corporation own or control, directly or indirectly, at least 50% of the value of the outstanding equity or combined voting power of the then outstanding voting securities of the new company entitled to vote generally in the election of directors of that company.

An Option shall be exercised by the delivery of a duly signed notice in writing to such effect, together with the Option certificate and the full purchase price of the Shares purchased pursuant to the exercise of the Option to the Corporate Secretary or an officer of the Corporation appointed by the Chairman of the Board for the purpose of receiving the sum. Payment of the full purchase price shall be made as follows: in cash or by check payable to the order of the Corporation, or by delivery to the Corporation of Mature Shares which shall be valued at their Fair Market Value on the date of exercise of the Option or by such other methods as the Committee may permit from time to time, including payment through a broker in accordance with procedures permitted by Regulation T of the Federal Reserve Board. Any Rights exercised in conjunction therewith shall be exercised by the inclusion in such notice of a notice of exercise of Rights, together with the Rights certificate.

Within a reasonable time after the exercise of an Option, the Corporation shall cause to be issued and delivered, to the person entitled thereto, a certificate for the Shares purchased pursuant to the exercise of the Option, and, if Rights have been exercised in conjunction therewith, the amount of cash determined in accordance with Section 7 hereof. If the Option and any conjunctive Rights shall have been exercised with respect to less than all of the Shares subject to the Option and Rights, the Corporation shall also cause to be delivered to the person entitled thereto an Option certificate and a Rights certificate with respect to the number of Shares equal to the difference between the number of Shares of the Option certificate and Rights certificate surrendered at the time of the exercise of the Option and Rights and the number of Shares with respect to which the Option and Rights were so exercised, or the original Option certificate and Rights certificate shall be endorsed to give effect to the partial exercise thereof. If any Option is treated in part as an Incentive Stock Option and in part as a Non-Qualified Stock Option, the Corporation shall designate the Shares that are treated as purchased pursuant to the exercise of an Incentive Stock Option by causing to be delivered a separate certificate therefor.

Rights that are exercisable as an alternative to the exercise of a related Option, or without any relationship to an Option, shall be exercised by the delivery of a duly signed notice in writing to such effect, together with the Rights certificate, and, in the case of alternative Rights, a specification of the percentages of the Rights which the holder desires to receive in cash and in Shares. Holders of alternative Rights shall also surrender the related Option certificate. Within a reasonable time thereafter, the Corporation shall cause to be delivered and/or issued to the person entitled thereto, the amount of cash and/or a certificate for the number of Shares determined in accordance with Section 7 hereof. Upon the exercise of alternative Rights, the number of Shares subject to exercise under the related Option or portion thereof shall be reduced by the number of Shares represented by the Option or portion thereof surrendered. Shares subject to Options or portions thereof surrendered upon the exercise of alternative Rights shall not be available for subsequent Incentive Awards under the Plan. If the Rights shall have been exercised with respect to less than all of the Shares subject thereto (or to the related Option, if any), the Corporation shall also cause to be delivered to the person entitled thereto a Rights certificate (and an Option certificate, in the case of alternative Rights) with respect to the difference between the number of Shares of the Rights certificate (and related Option certificate, if any) surrendered at the time of the exercise of the Rights and the number of Shares with respect to which the Rights were so exercised (and the related Option, if any, was so

surrendered), or the original Rights certificate (and related Option certificate, if any) shall be endorsed to give effect to the partial exercise (and surrender) thereof.

Notwithstanding any other provision of the Plan or of any Option or Rights, no Option or Rights granted pursuant to the Plan may be exercised at any time when the Option or Rights or the granting or exercise thereof violates any law or governmental order or regulation.

10. Terms and Conditions of Restricted Stock Awards.

- (a) All Restricted Shares granted to or purchased by an eligible person pursuant to the Plan shall be subject to the following conditions:
 - (i) the Restricted Shares may not be sold, transferred, or otherwise alienated or hypothecated until the restrictions are removed or expire;
 - (ii) each certificate representing Restricted Shares issued pursuant to a Restricted Stock Award under this Plan shall bear a legend making appropriate reference to the restrictions imposed;
 - (iii) no Restricted Shares shall have a vesting period of less than 3 years except upon the occurrence of such special circumstance or event as, in the opinion of the Committee, merits special consideration; and
 - (iv) the Committee may impose such other conditions as it may deem advisable on any Restricted Shares granted to or purchased by an eligible person pursuant to a Restricted Stock Award under this Plan, including, without limitation, restrictions under the requirements of any stock exchange upon which such Shares or shares of the same class are then listed, and under any securities law applicable to such Shares.
- (b) The restrictions imposed under subsection (a) hereof upon Restricted Stock Awards shall lapse in accordance with a schedule or other conditions as determined by the Committee, subject to the provisions of Section 13 hereof.
- (c) Prior to the expiration or lapse of all of the restrictions and conditions imposed upon Restricted Shares, a stock certificate or certificates representing such Restricted Shares shall be registered in the holder's name but shall be retained by the Corporation for the holder's account. The holder shall have the right to vote such Restricted Shares and shall have all other rights and privileges of a beneficial and record owner with respect thereto, including, without limitation, the right to receive dividends, distributions and adjustments with respect thereto; provided, however, that such dividends, distributions and adjustments may be retained by the Corporation for the holder's account and for delivery to the holder, together with the stock certificate or certificates representing such Restricted Shares, as and when said restrictions and conditions shall have expired or lapsed.

11. Terms and Conditions of Phantom Stock Awards. The Committee shall have the authority in its discretion to grant to any eligible person Phantom Stock Awards which shall be subject to the following conditions:

- (a) The Phantom Stock Units credited to the holder of a Phantom Stock Award shall be subject to a vesting period which shall mean a period commencing on the date the Award is granted and ending in accordance with a schedule or other conditions as determined by the Committee, subject to the provisions of Section 13 hereof. The Committee may provide for the expiration of the vesting period in installments where deemed appropriate.
- (b) A Phantom Stock Award shall entitle the holder, upon the expiration of the vesting period, to receive payment from the Corporation of an amount equal to the product obtained by multiplying (i) the Fair Market Value of one Share on the date of such expiration by (ii) the number of Phantom Stock Units in respect of which the vesting period shall have then expired. The payment of such amount may be made solely in cash, or solely in Shares valued at their Fair Market Value on the date of expiration of the vesting period, or in a combination of cash and Shares, subject to such terms and conditions as are determined by the Committee; provided, however, that no fractional Shares shall be issued by the Corporation, and settlement therefor shall be made in cash.
- (c) The Committee may impose such other conditions as it may deem advisable on any Shares which may be issued pursuant to a Phantom Stock Award under this Plan, including, without limitation, restrictions under the requirements of any stock exchange upon which such Shares or shares of the same class are then listed, and under any securities law applicable to such Shares.
- (d) Prior to the expiration of the vesting period under a Phantom Stock Award, amounts equal to the dividends payable with respect to the same number of Shares as the number of Phantom Stock Units as to which the vesting period has not expired shall be credited to the holder's account under such Award; provided, however, that such dividend-equivalent amounts may be retained by the Corporation for the holder's account and for delivery to the holder only as and when said vesting period shall have expired.

12. Purchase Price. The purchase price per Share for Restricted Shares to be purchased pursuant to Restricted Stock Awards, or for the Shares to be purchased pursuant to the exercise of an Option, shall be fixed by the Committee at the time of the grant of the Restricted Stock Award or Option; provided, however, that the purchase price per Share for the Shares to be purchased pursuant to the exercise of an Incentive Stock Option or Non-Qualified Stock Option shall not be less than 100% of the Fair Market Value of a Share on the date such Incentive Stock Option or Non-Qualified Stock Option is granted; and, provided further, that an Incentive Stock Option that is granted to an employee of the Corporation or an Affiliate who, at the time of grant, owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Corporation or any Affiliate, must have a purchase price per Share equal to 110% of the Fair Market Value of a Share on the date of grant.

13. Termination of Employment. If a holder of an Option and/or Rights shall voluntarily or involuntarily leave the employ or service of the Corporation and its Affiliates, the Option and Rights of such holder shall terminate forthwith, except that the holder shall have until the expiration of 3 months from the cessation of the holder's employment or service with the Corporation and its Affiliates (without regard to any period of severance) to exercise any unexercised Option and/or Rights the holder could have exercised on the day on which he left the employ or service of the Corporation and Affiliates, including those Options and/or Rights that become exercisable upon cessation of employment pursuant to the provisions of the first paragraph of Section 9 hereof.

Notwithstanding the foregoing, if the cessation of employment or service is due to retirement on or after attaining the age of sixty-five years, or to death, the holder or the representatives of the estate of the holder shall have the privilege of exercising the unexercised Options and/or Rights which the holder or the deceased could have exercised at the time of his retirement or death, provided that such exercise must be accomplished prior to the expiration of such Options and Rights and either within three months of the holder's retirement or within six months after the death of the holder, as the case may be. Moreover, the Committee may, in its sole discretion, provide with respect to an Option or Rights granted to any individual (and either at the time of grant of such Option or Rights or by an amendment thereafter to any such outstanding Option or Rights), that the post-termination or post-death exercise period shall be for a period of time specified by the Committee which is longer than the period which would otherwise apply pursuant to this Section 13, but in no event beyond the expiration of the stated term of such Option or Rights. If the employment or service of any holder with the Corporation or an Affiliate shall be terminated because of the holder's violation of the duties of such employment or service with the Corporation or its Affiliates, as he may from time to time have, the existence of which violation shall be determined by the Committee in its sole discretion and which determination by the Committee shall be conclusive, all unexercised Options and Rights of such holder shall terminate immediately upon the termination of the holder's employment or service with the Corporation or an Affiliate, and a holder whose employment or service with the Corporation or an Affiliate is so terminated shall have no right after such termination to exercise any unexercised Option or Rights he might have exercised prior to the termination of his employment or service with the Corporation or an Affiliate.

Except as hereinafter provided, if a holder of a Restricted Stock Award shall voluntarily or involuntarily leave the employ [or service] of the Corporation and its Affiliates, all such Restricted Shares subject to restrictions at the time his employment [or service] terminates (and any dividends, distributions and adjustments retained by the Corporation with respect thereto) shall be forfeited and any consideration received therefor from the holder shall be returned to the holder. Notwithstanding the foregoing, all restrictions to which Restricted Stock Awards are subject shall lapse (a) upon the death or disability (as defined in Section 22(e)(3) of the Code) of the holder, (b) upon the holder's termination of employment [or cessation of service as a Director] in connection with a Change in Control (as defined in Section 9 hereof), or (c) upon the occurrence of such special circumstance or event as in the opinion of the Committee merits special consideration.

Except as hereinafter provided, if a holder of a Phantom Stock Award shall voluntarily or involuntarily leave the employ [or service] of the Corporation and its Affiliates prior to the complete expiration of the vesting period, all amounts therefor remaining payable pursuant to such Award (including any dividend equivalent amounts retained by the Corporation with respect thereto) shall be forfeited. Notwithstanding the foregoing, the vesting period under a Phantom Stock Award shall completely expire, and all amounts remaining payable thereunder shall be payable (a) upon the death or disability (as defined in Section 22(e)(3) of the Code) of the holder, (b) upon the holder's termination of employment [or service] in connection with a Change in Control, or (c) upon the occurrence of such special circumstance or event as in the opinion of the Committee merits special consideration.

14. Transferability of Incentive Awards.

- (a) Non-Transferability of Incentive Awards. Except as provided below, Incentive Awards shall not be transferable by the holder thereof otherwise than by will or the laws of descent and distribution to the extent provided herein, and Incentive Awards may be exercised or surrendered during the holder's lifetime only by the holder thereof.
- (b) Transfer of Non-Qualified Stock Options. Notwithstanding the foregoing, the Committee may provide, in a Non-Qualified Stock Option certificate, that the holder thereof may transfer the Non-Qualified Stock Option to family members or other persons or entities according to such terms as the Committee may determine; provided that the holder thereof receives no consideration for the transfer of a Non-Qualified Stock Option and the transferred Option shall continue to be subject to the same terms and conditions as were applicable to the Option immediately before the transfer.

15. Tax Withholding. The Corporation or Affiliate will take such action as it deems appropriate to ensure compliance with all federal, state or local income tax withholding laws. In order to facilitate a Participant's payment of his withholding obligations with respect to Incentive Awards, the Committee, in its discretion, and subject to such additional terms and conditions as it may adopt, may permit the Participant to elect to (a) deduct from any cash payment otherwise due to the Participant, the appropriate

withholding amount, (b) pay to the Corporation in cash the appropriate withholding amount, (c) have the Corporation withhold a portion of the Shares otherwise to be delivered upon exercise or receipt of (or the lapse or restrictions relating to) such Incentive Award, the fair market value of which is equal to the minimum statutory withholding amount, or (d) deliver to the Corporation Mature Shares already owned by the Participant, the fair market value of which is equal to the appropriate withholding amount.

16. Adjustment Provision. If prior to the complete exercise of any Option, or prior to the expiration or lapse of all of the restrictions and conditions imposed pursuant to a Restricted Stock Award, there shall be declared and paid a stock dividend upon the Shares or if the Shares shall be split up, converted, exchanged, reclassified, or in any way substituted for,

- (a) in the case of an Option, then the Option, to the extent that it has not been exercised, shall entitle the holder thereof upon the future exercise of the Option to such number and kind of securities or cash or other property subject to the terms of the Option to which he would have been entitled had he actually owned the Shares subject to the unexercised portion of the Option at the time of the occurrence of such stock dividend, split-up, conversion, exchange, reclassification or substitution, and the aggregate purchase price upon the future exercise of the Option shall be the same as if the originally optioned Shares were purchased thereunder; and
- (b) in the case of a Restricted Share issued pursuant to a Restricted Stock Award, the holder of such Award shall receive, subject to the same restrictions and other conditions of such Award as determined pursuant to the provisions of Section 10, the same securities or other property as are received by the holders of the Corporation's Shares pursuant to such stock dividend, split-up, conversion, exchange, reclassification or substitution.

Any fractional shares or securities payable upon the exercise of the Option as a result of such adjustment shall be payable in cash based upon the Fair Market Value of such shares or securities at the time of such exercise. If any such event should occur, the number of Shares with respect to which Incentive Awards remain to be issued, or with respect to which Incentive Awards may be reissued, shall be adjusted in a similar manner.

In addition to the adjustments provided for in the preceding paragraph, upon the occurrence of any of the events referred to in said paragraph prior to the complete exercise of any Rights, or prior to the complete expiration of the vesting period under a Phantom Stock Award, the Committee, in its sole discretion, shall determine the amount of cash and/or number of Shares or other property to which the holder of the Rights shall be entitled upon their exercise, or to which the holder of the Phantom Stock Award shall be entitled upon the expiration of the vesting period, so that there shall be no increase or dilution in the cash and/or value of the shares or other property to which the holder of Rights or of a Phantom Stock Award shall be entitled by reason of such events.

Notwithstanding any other provision of the Plan, in the event of a recapitalization, merger, consolidation, rights offering, separation, reorganization or liquidation, or any other change in the corporate structure or outstanding Shares, the Committee may make such equitable adjustments to the number of Shares and the class of shares available hereunder or to any outstanding Incentive Awards as it shall deem appropriate to prevent dilution or enlargement of rights.

17. Issuance of Shares and Compliance with Securities Act. The Corporation may postpone the issuance and delivery of Shares pursuant to the grant or exercise of any Incentive Award until (a) the admission of such Shares to listing on any stock exchange on which Shares of the Corporation of the same class are then listed and (b) the completion of such registration or other qualification of such Shares under any state or federal law, rule or regulation as the Corporation shall determine to be necessary or advisable. As a condition precedent to the issuance of Shares pursuant to the grant or exercise of an Incentive Award, the Corporation may require the recipient thereof to make such representations and furnish such information as may, in the opinion of counsel for the Corporation, be appropriate to permit the Corporation, in light of the then existence or non-existence with respect to such Shares of an effective Registration Statement under the Securities Act of 1933, as from time to time amended, to issue the Shares in compliance with the provisions of that or any comparable act.

18. Administration and Amendment of the Plan. Except as hereinafter provided, the Board of Directors or the Committee may at any time withdraw or from time to time amend the Plan and the terms and conditions of any Incentive Award not theretofor granted, and the Board of Directors or the Committee, with the consent of the affected holder of an Incentive Award, may at any time withdraw or from time to time amend the Plan and the terms and conditions of such Incentive Awards as have been theretofor granted. Notwithstanding the foregoing, neither the Board of Directors nor the Committee shall (a) amend the Plan without the approval of the stockholders, if such approval is required by Section 422 or 162(m) of the Code, (b) materially amend the Plan without stockholder approval, or (c) without stockholder approval reprice any outstanding Incentive Award by either amending such Incentive Award to reduce the exercise price, purchase price or grant date Fair Market Value per Share thereof or canceling such Incentive Award and regranting or replacing such Incentive Award as or with an Incentive Award having a lower exercise price, purchase price or grant date Fair Market Value per Share.

The Committee shall have the sole authority to (i) determine the individuals to whom Incentive Awards shall be made under the Plan, (ii) determine the type, size and terms of the Incentive Awards to be made to each such individual, (iii) determine the time when the Incentive Awards will be made and the duration of any applicable exercise or restriction period, including the criteria for exercisability and the acceleration of exercisability and (iv) deal with any other matters arising under the Plan.

The Committee shall have full power and authority to administer and interpret the Plan, to make factual determinations and to adopt or amend such rules, regulations, agreements and instruments for implementing the Plan and for the conduct of its business as it deems necessary or advisable, in its sole discretion. The Committee's interpretations of the Plan and all determinations made by the Committee pursuant to the powers vested in it hereunder shall be conclusive and binding on all persons having any interest

in the Plan or in any Incentive Awards granted hereunder. All powers of the Committee shall be executed in its sole discretion, in the best interest of the Corporation, not as a fiduciary, and in keeping with the objectives of the Plan and need not be uniform as to similarly situated individuals.

19. Governing Law. Except as required by Delaware corporate law, the Plan shall be governed by and construed in accordance with the laws of the state of New York, without giving effect to principles of conflict of laws.

20. Effective Date of Plan. This Plan is conditioned upon its approval by the shareholders of the Corporation.

21. Governing Document. The Plan shall be the controlling document. No other statements, representations, explanatory materials or examples, oral or written, may amend the Plan in any manner. The Plan shall be binding upon and enforceable against the Corporation and its successors and assigns.

22. Funding of the Plan. This Plan shall be unfunded. The Corporation shall not be required to establish any special or separate fund or to make any other segregation of assets to assure the payment of any Incentive Awards under this Plan. In no event shall interest be paid or accrued on any Incentive Award, including unpaid installments of Incentive Awards.

23. Rights of Participants. Nothing in this Plan shall entitle any employee or other person to any claim or right to be granted an Incentive Award under this Plan, [except as provided in Section 5 with respect to Non-Employee Directors]. Neither this Plan nor any action taken hereunder shall be construed as giving any individual any rights to be retained by or in the employ of the Corporation or any Affiliate, or any other employment rights.

24. Headings. Section headings are for reference only. In the event of a conflict between a title and the content of a Section, the content of the Section shall control.

25. Miscellaneous

- (a) Incentive Awards in Connection with Corporate Transactions and Otherwise. Nothing contained in this Plan shall be construed to (i) limit the right of the Committee to make Incentive Awards under this Plan in connection with the acquisition, by purchase, lease, merger, consolidation or otherwise, of the business or assets of any corporation, firm or association, including Incentive Awards to employees thereof who become employees of the Corporation or an Affiliate, or for other proper corporate purposes, or (ii) limit the right of the Corporation to grant options or make other awards outside of this Plan. Without limiting the foregoing, the Committee may make an Incentive Award to an employee of another corporation who becomes an employee by reason of a corporate merger, consolidation, acquisition of stock or property, reorganization or liquidation involving the Corporation or any of its subsidiaries in substitution for a stock option or restricted stock grant made by such corporation. The terms and conditions of the substitute grants may vary from the terms and conditions required by the Plan and from those of the substituted stock incentives. The Committee shall prescribe the provisions of the substitute grants.
- (b) Compliance with Law. The Plan, the exercise of Options and Rights and the obligations of the Corporation to issue or transfer Shares under Incentive Awards shall be subject to all applicable laws and to approvals by any governmental or regulatory agency as may be required. With respect to persons subject to Section 16 of the Act, it is the intent of the Corporation that all transactions under the Plan comply with all applicable provisions of Rule 16b-3 or its successors under the Act. The Committee may revoke any Incentive Award if it is contrary to law or modify an Incentive Award to bring it into compliance with any valid and mandatory government regulation. The Committee may also adopt rules regarding the withholding of taxes on payments to holders of Incentive Awards. The Committee may, in its sole discretion, agree to limit its authority under this Section.
- (c) Limitations on Actions Taken in Connection with a Change in Control. Notwithstanding anything in the Plan to the contrary, in the event of a Change in Control (as defined in Section 9 hereof), the Committee shall not have the right to take any actions that would make the Change in Control ineligible for desired tax treatment if, in the absence of such right, the Change in Control would qualify for such treatment and the Corporation intends to use such treatment with respect to the Change in Control.

Consent of Ernst & Young LLP, Independent Auditors

We consent to the incorporation by reference in the Registration Statement (Form S-8) pertaining to the 2002 Stock Incentive Plan of AMETEK, Inc. of our report dated January 29, 2002, with respect to the consolidated financial statements of AMETEK, Inc. included in its Annual Report (Form 10-K) for the year ended December 31, 2001, filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP

Philadelphia, Pennsylvania
August 9, 2002